

BRIEF REPORT OF THE 7 :30 BREAKFAST DEBATE – JUNE 29TH

2012

HEALTH SECTOR BUDGET ALLOCATIONS: IS THE STATE OF THE HEALTH SECTOR IMPROVING?

International and national laws clearly provides that the government/ state should make sure that its citizens are provided with good health services therefore health sector budget in Tanzania is a very sensitive issue as it affects the lives of all Tanzanians.

The Government should ensure fair distribution of resources across the country. For instance in 2004, the Government committed to utilize a resource allocation formula that takes four differently weighted factors into account. For example, 70% of the health grants are distributed according to the districts' population. Because poor people tend to require health services more frequently than their more fortunate fellow citizens, 10% of the grants are distributed with respect to the districts' poverty count. The formula also recognizes higher operational costs in rural areas and the districts' burden of diseases by allocating 10% of the grants with respect to the mileage of medical vehicles and 10% according to the districts' under-five mortality. However, the allocation formula is not yet being applied.

Following the tabling of the budget for the financial year 2012/2013, Policy Forum decided to dedicate its June 2012 breakfast talk on the issue of budget precisely the health budget, the debate is titled: Health Sector Budget Allocations: Is the state of the Health sector improving?

The debate included two presentations, one from **Mr. Simon Moshy, Programme Officer of SIKIKA, Dr. Flora Kessy, Mzumbe University.**

The debate was facilitated by Alex Ruchyahinduru from Policy Forum

Dr. Flora Kessy was the first presenter of the breakfast talk who discussed about the Health Sector Expenditure from 2006/07 to 2011/12.

She started her presentation by giving an outline of her presentation which covered: Health Sector share of the budget, Per capita health

spending, Government versus foreign funding, Spending central/local government spilt, Budget execution and Health financing through health insurance.

She said the health budget and expenditure has been increasing in nominal terms but in real terms it is decreasing and in terms of share in budget and share in terms of actual expenditure, health as a percentage of total government expenditure is declining which is a big concern.

She added that, per capital health spending is far less than the US \$ 54 recommended by WHO and HSSP III projection of US \$ 15.75 by 2009/10 and Government funding still remains the dominant source of public health financing.

She said, Central share of expenditure remains stable over time despite D-by-D and that Part of the central funds is spent at the LGAs level through procurement of medicines.

She stressed that, Development budget continues to grow but it faces poor performance and recurrent budget performs better than the development budget.

She said, about 60% of foreign funds budget is executed over government funds and Performance is worse for non-basket fund than for basket funding.

She continued to say that, the National Health Insurance Fund (NHIF) continues to hold significant amount of unspent funds and Reimbursement to pharmacies and ADDOs is a commendable strategy to curb drug shortage.

She concluded by saying that, there should be strategies to increase the health share of government budget to 15% as per Abuja commitment, NHIF should be facilitated to function more effectively.

The second presenter of the breakfast talk was Mr. Simon Moshy, his presentation was titled "The Abuja Declaration and Health Equity".

He started by saying that, for the past four years infrastructure is seen to be a priority as compared to other sectors such as health which has been declining over the years.

He said, health sector is financed by foreign and local funding but for the past years foreign funding for the sector has been increasing.

He continued to say, recurrent budget has been decreasing and development budget has been increasing, the reason behind is due to the increase of unnecessary expenditures in MOHSW.

He stressed that, the preventive services have been increasing in development expenditures.

He elaborated on how government allocates the health block grants to the local government. He said there is a formula for doing this that takes four differently weighted factors into account which are: districts' population, districts' poverty count, mileage of medical vehicles and according to the districts' under-five mortality. Results show that, this formula for this allocation has never been used.

He said that, this allocation formula is the basis to ensure equity.

He said, Sikika's survey from May to August 2011 show that 100 inquiries for a specific essential medicine or medical supply on average 29 were reported to be out of stock.

He said, the share of medicine and medical supply is mostly financed by foreign funds as compared to local funding, even after the foreign funds are used up the government does not add up to it.

He concluded by saying that, there is a long way for Tanzania to meet the Abuja target of 15% of the budget to be portioned for health service, unnecessary expenditures in the MOHSW are still increasing, health block grant formula is not applied.

The discussant of the debate was **Dr. Rufaro Chatora, WHO Country Representative to Tanzania**, he started by thanking the presenters for their informative presentations.

He said related to per capital expenditure sometimes we look at different materials and they show us different figures, we need to find out what is the correct one.

He read an article in the Abuja declaration and said that the declaration precisley states that atleast 15% of the budget should be

allocated to the health sector so it can be more or less, for instance there are some African countries which have exceeded to 17%. He suggested that health education is important and so is the infrastructure considering the huge number of people in our country.

He said there are a lot of issues in the health sector which keep on repeating every year which need to be advocated for and be fixed.

He said, the health sector structure in Tanzania is that, the staffs at the higher level are more qualified than the ones at the lower level, this calls for unnecessary expenditure of allowance, fuels etc because the higher level staffs are to check on the activities/performances of the lower level staffs.

He continued to say that, there are issues of management which need to be sorted out and tutors should be trained.

He concluded by saying that, we need to look at the health sector in depth so that we could get the right figures so that we can advocate for what we want and we should advocate for more human resources and trainings to tutors.

Comments and Questions from plenary discussion:

- Is there a political will to subsidize the NHIF over CIF.
- Is there a mechanism/framework to address these problems.
- What other budget compliments the health budget?
- Is there any evidence used during budgeting?
- The period of review of this sector is 2006, 2005, why did they leave other years for review?
- Why do we make budget if we don't have money to spend.
- There is a need to sit and review on these priority sectors and see how we come up to get them.
- How do we use these strong evidences to dialogue the government, we need to think beyond?
- It is the policies which run the government.

- We still have a problem with expenditure
- The starting point should be getting money for the procurement of medicines
- It is important to think how best we can manage our resources.
- It is not true that Tanzania is poor because it has a lot of resources.
- There are a lot of institutional frameworks which are not working properly.
- The PER exercise usually comes in very late.

Respond to the comments and Questions:

- Harmonizing the information has been very difficult.
- We looked at the basket funding because it captures a huge picture(when you look at the report try to look at what it captures)
- NHIF uses the population figure, what was used was the current population figure and not the old figure.
- The essence is to improve the service when you subsidize
- Before the Abuja declaration sometime in 2001 it might have reached 15% but thereafter it has never reached 15%.
- The figures that were captures the entire sector.
- Pharmaceutical and human resources should be given an extra eye in the sector.aq

Alex Ruchyahinduru closed the discussion and he welcomed again participants for the next 7:30 Breakfast Debate.