

Why health is not a priority in the 2011/12 national budget.

An analysis of the 2011/2012 budget allocations for the health sector.

Policy Brief: 02/11

The Issue:

The annual budget process offers a valuable opportunity to assess whether public statements about government priorities are put in place. For instance, the government has reiterated in recent years the desire to obtain value-for-money as it executes its budget and curb unnecessary expenditure.

This brief analyses the health sector's budget for the year 2011/12 with special focus on value for money. It assesses how the meager resources that are available have been allocated and whether this allocation is appropriate to realize significant changes in the health sector.

1. What are the key messages for 2011/12?

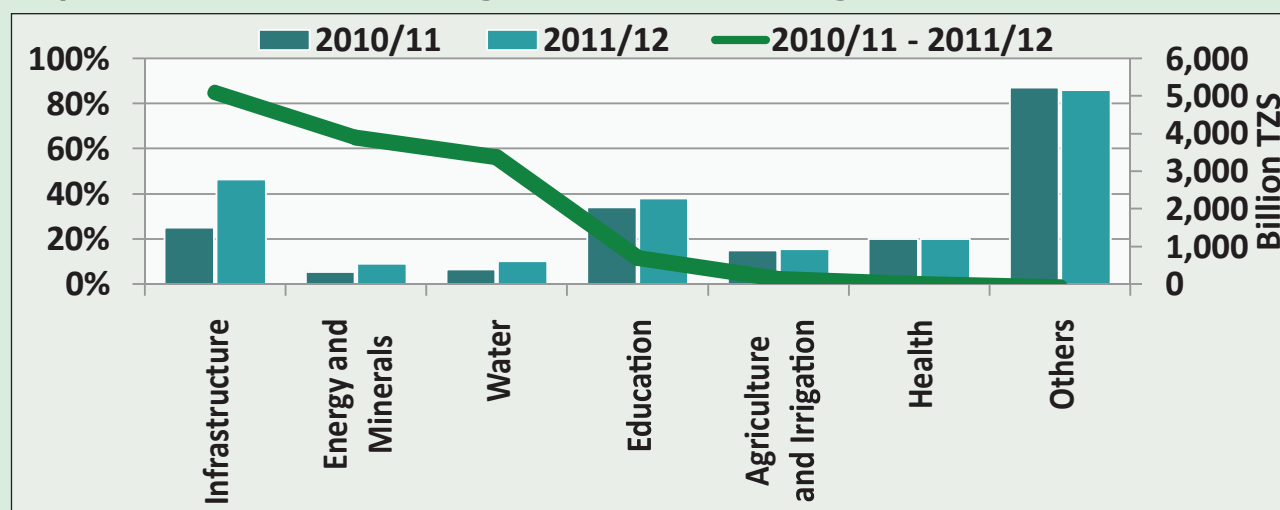
The following highlights have been observed:

- The health sector is not a priority at the moment, contrary to infrastructure and education. Its funding increased only by 0.3% compared to the last year's budget.
- The Ministry of Health and Social Welfare (MoHSW) has beefed up its allocation to allowances by 94%.
- Further, the MoHSW allocates Tsh 214 million for political activities instead of health services.
- The Controller and Auditor General issued only a qualified audit report.
- Also, development partners have cut down their contribution to the health sector budget.

2. What is the size of the 2011/12 health sector budget?

A total of Tsh 1,209.1 billion has been allocated to the health sector for the year 2011/12 compared to Tsh 1,205.9 billion in 2010/11. This indicates an increase of only 0.3%. The health sector's share for the total national budget is only 8.9 percent, which is far below the 15% Abuja target.

Graph 1. Sector allocation changes in the 2011/12 budget



Source: Public Expenditure estimates 2011/12 Vol. II & IV

3. How much is allocated to the Ministry of Health and Social Welfare?

For the year 2011/12, the Ministry receives Tsh 584 billion compared to Tsh 678 billion in the former year. This is a decrease of about 14%.

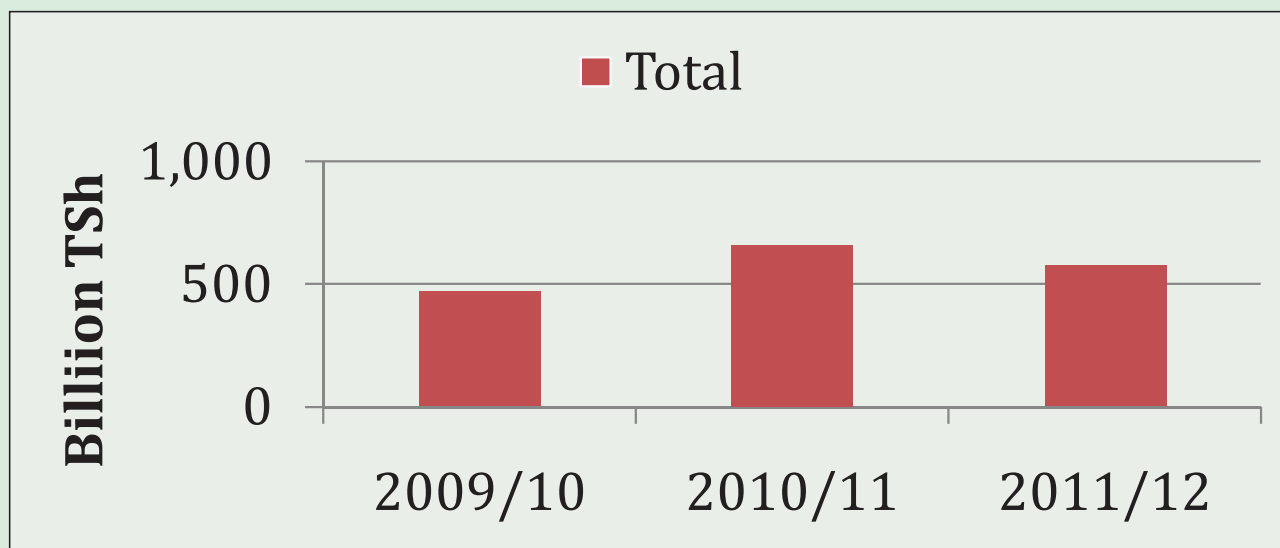
Table 1: Expenditure of the MoHSW

Allocation breakdown	2010/2011	2011/2012
Recurrent budget	229,978,968,000	219,367,376,000
Development budget	448,442,515,000	364,794,487,000
Total budget	678,421,483,000	584,161,863,000

Source: Public Expenditure estimates 2011/12 Vol. II & IV

These cuttings have severe effects on how the MoHSW is going to spend money for recurrent and development expenditures. The recurrent budget has been reduced by 4.6% and now amounts to Tsh 219 billion. The development budget shrinks dramatically by 18.6% to Tsh 365 billion.

Graph 2. Ministry of Health and Social Welfare budget



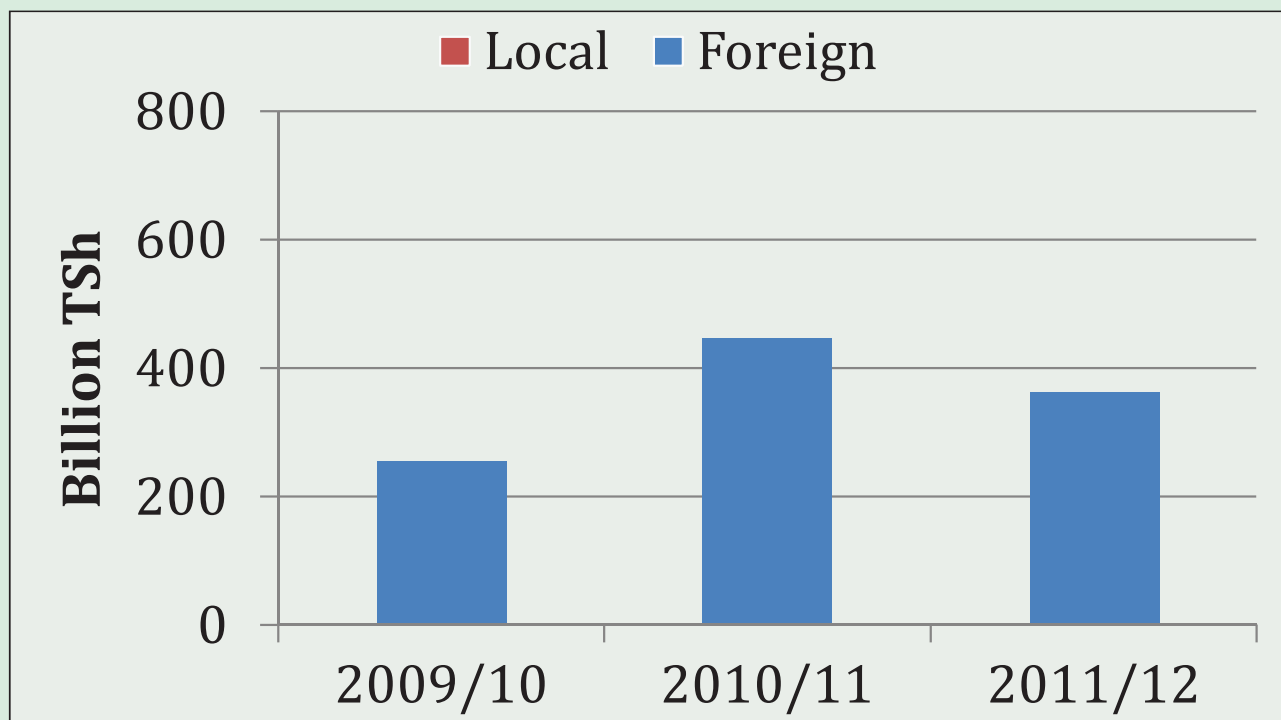
Source: Public Expenditure estimates 2011/12 Vol. II & IV

4. How much does our government contribute to the development projects of the MoHSW?

As illustrated in graph 3, development partners fund almost all development activities. Out of the Tsh 364 billion for the Ministry’s development budget, the government contributes only Tsh 9,873 million, or a meagre 3 percent.

The implication of such a large dependence on development grants is that important projects will come to a standstill when donors withdraw their funds. Therefore, more commitment is needed from the government to avoid health related development projects being unfunded once donors cut back their contributions.

Graph 3: Sources of development budget for the MoHSW



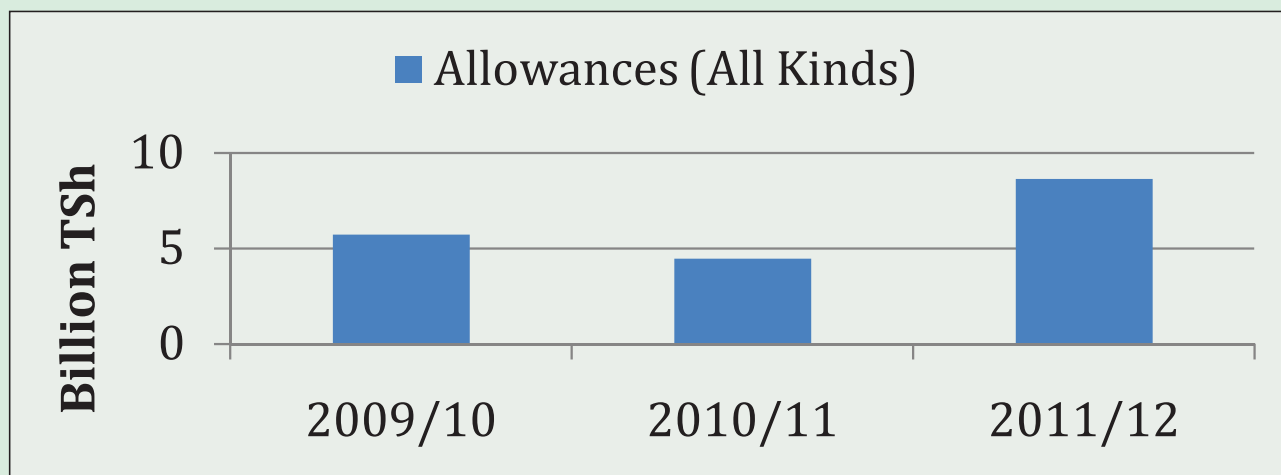
Source: Public Expenditure estimates 2011/12 Vol. II & IV

5. How much has the MoHSW allocated for allowances?

Several pronouncements have been given by key government officials regarding the need to cut down unnecessary expenditures including prevalent allowances. The Minister for Finance said during his budget speech in June 2011 “The government will continue to control expenditure by suspending procurement of all kinds of vehicles ... **scale down various allowances** ... cut down fuel costs ... reduce the number of internal and external trips ... ensure that seminars and workshops are curbed ... ”.

Contrary to our expectation, the MoHSW has increased its allocation to allowances by 94% for the year 2011/12. This raises concerns since the Ministry has failed to honor the commitment given by the Minister for Finance.

Graph .: Aggregated allowances in the MoHSW



Source: Public Expenditure estimates 2011/12 Vol. II & IV

6. How efficiently has the budget been allocated?

Despite the fact that the government does not have enough resources to finance all of its important projects, it continues budgeting for non-operational activities like the participation of MoHSW staff in parliamentary sessions and for the visiting of constituencies. The costs for those activities sum up to Tsh 214 million whereby 60 percent of that total bear on generous allowances. To prohibit such blatant cases of unnecessary spending, all ministerial staffs who attend parliamentary sessions should be compensated through the National Assembly Fund.

Participation in Parliamentary Sessions

Activity	Amount
Participation of 5 DHS staff in Parliamentary budget sessions	9,830,000
Participation of DPP staff in parliamentary budget sessions	19,710,000
Participation of parliamentary activities in Dodoma	20,018,000
Participation of MoHSW State attorneys in Parliamentary activities	26,850,000
2 Ministers and 6 supporting staff to visit constituencies	26,928,000
Participation of 2 Ministers and 10 supporting staff in Parliamentary sessions	110,956,000
Total	214,292,000

Source: MoHSW 2011/12 MTEF

7. Conclusions

The overall funding for the health sector is stagnating. We also observe that The MoHSW experiences a reduction of its financial resources by 14 percent; this mainly originates from curbed contributions from development partners. While the Minister of Finance promised to cut down unnecessary expenditures in 2011/12, the MoHSW has almost doubled its allocation to allowances. One avenue to rake in per diems is the generous budgeting for trips to the parliament.

8. Recommendations

- The government should honour the Abuja declaration by allocating 15% of its budget to the health sector.
- More action is needed to ensure reduced spending for unnecessary items like allowances.
- The MoHSW's political activities should be covered by the National Assembly Fund.
- The MoHSW should improve its financial management and make sure that value for money is achieved.
- The budget process should be made more transparent to ensure greater involvement of other stakeholders.

This policy brief was prepared by SIKIKA, a member of the Policy Forum Budget Working Group.

Sikika is a Non-Governmental Organization which works to empower citizens to smoothly interact with health service providers through enhancing active community engagement, transparency and accountability within the health sector.

Policy forum is a network of over 100 CSOs working on poverty reduction, equity and democratization with a focus on governance and accountability.

