

THE GOVERNMENT NEEDS TO INCREASE THE BUDGET ALLOCATION FOR ESSENTIAL MEDICINES, MEDICAL SUPPLIES AND EQUIPMENT TO PREVENT STOCK OUTS

INTRODUCTION

Frequent stock outs of essential medicine and medical supplies at public health facilities are a chronic problem in Tanzania. This contributes to poor provision of health services and hence affects the health of the people. One of the main causes for stock outs is the low budget allocation for essential medicine and medical supplies.

This paper presents an analysis of the Ministry of Health and Social Welfare's (MoHSW) budget from 2008/2009 to 2014/15 in order to show the trend for the budget allocation for essential medicine and medical supplies.

STOCK OUTS

The availability and accessibility of essential medicines, medical supplies and equipment is crucial for better healthcare provision in any country. Medicines need to be available at all times, in adequate amount, in appropriate dosage, quality and at affordable cost for the individuals in

the community. In Tanzania, there has been a challenge of continuous availability of essential medicines and this has been affecting the quality of health care delivery at health facilities as well as constraining the state of well being of the community.

BUDGET TREND FOR ESSENTIAL MEDICINES AND MEDICAL SUPPLIES

Sikika has analyzed the MoHSW's budgets from 2008/09 to 2014/15. The analysis shows that there has been an unsteady budget allocation for essential medicine and medical supplies. The allocation has been going up and down regardless of the increment or deduction in the Ministry's total budget.

For example, during the fiscal year 2013/14, the Ministry of Finance and Economic Affairs (MoFEA) budget allocation to the MoHSW increased by 30.8%, from TSH. 581.7 billion in 2012/13 to TSH. 753.9/- billion in 2013/14. However, this increment was not reflected in the budget

¹ Sikika performed budget analysis from various sources in March 2014. These sources include: Sikika budget analysis report 2013/14, face to face interview with Pharmaceutical Service Section (PSS). The analysis was based on central budget allocation from Ministry of Finance and Economic Affairs (MoFEA) to MoHSW and from MoHSW to Medical Stores Department (MSD).

for essential medicines and medical supplies as it went down by 20.5%, from TSH. 80.5/- billion in 2012/13 to TSH. 64/- billion in 2013/14. Moreover, the budget for the year 2014/15 for essential medicines and medical supplies went further down by 28.4% from last year's budget as illustrated in table 1 below. On the contrary, the total budget for the MoHSW in 2011/12 was 13.6% lower than

in the MoHSW budget in 2010/11, but the allocation for the essential medicines and medical supplies went up by 4.4%. This increase and decrease of budget allocations raise questions concerning the priorities and criteria that are used in setting the budget.

Table 1: Trend of share of budget for essential medicines and medical supplies in the MoHSW budget

| Year | MoHSW total budget (Tsh. Bn) | Allocation for essential medicines & medical supplies (Tsh. Bn) | Percentage change in budget allocation for essential medicines & medical supplies |
|---------|------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 2008/09 | 440.2 | 53.4 | |
| 2009/10 | 478.9 | 49.6 | -7.1 |
| 2010/11 | 676.3 | 61.4 | 23.8 |
| 2011/12 | 584.2 | 78.7 | 28.2 |
| 2012/13 | 576.1 | 80.5 | 2.3 |
| 2013/14 | 753.9 | 64 | -20.5 |
| 2014/15 | 622.9 | 45.8 | -28.4 |

Sources: for 2008/09 - 2009/10, Sikika 2010/2011 Health Sector Budget Analysis. For 2010/11-2013/14, Sikika Budget Analysis of the MoHSW for fiscal year 2013/14

BUDGET ALLOCATION VERSUS DEMAND FOR ESSENTIAL MEDICINES AND

MEDICAL SUPPLIES

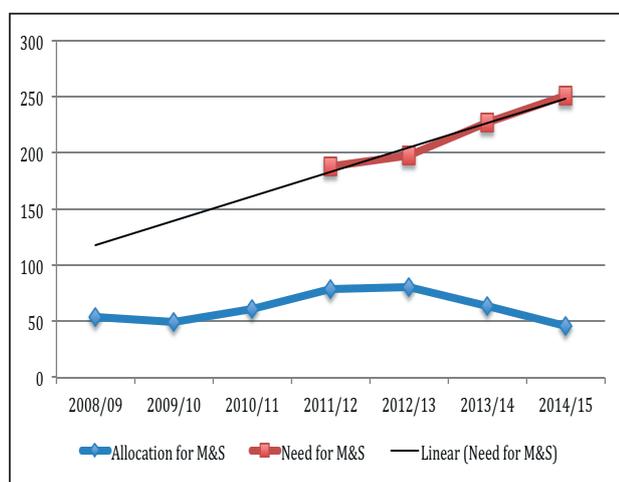
The budget allocation for essential medicines and medical supplies has not been matching with the increase in its demand. Specifically, in the year 2013/14 and 2014/15, the budget allocation has been negatively related to the demand of essential medicine and medical supplies. In the Technical Committee for the Sector-Wide Approach (TC-SWAp) meeting held in Dar es Salaam on 03/03/2014, the Chief Pharmacist reported that, according

to National Institute of Medical Research (NIMR), the estimated cost for essential medicines and medical supplies was TSH. 549.5 billion for the year 2013/14 and TSH. 577 billion for 2014/15. However, the allocation was TSH. 64 billion (2013/14) and TSH. 45 billion (2014/15). This allocation covers only 11.6% and 7.7% of the demand for the two years, respectively.

Although demand estimates from the NIMR differ from those of the

Pharmaceutical Services Section (PSS) (see figure 1 below), both estimates do not match with the budget allocated for essential medicines and medical supplies for the year 2014/15. Figure 1 shows the graphical relationship between the demand, as established by the PSS of the MOHSW, and the budget allocation for essential medicines and supplies for the period 2008/09 - 2014/15.

Figure 1: Trend of budget for essential medicines and medical supplies versus demand.



EFFECTS OF STOCK OUTS

Due to this trend of budget allocations for medicines and medical supplies, it is apparent that the stock outs of essential medicines and medical supplies in the public health facilities will continue to exist and thus lead to poor services. The availability of essential medicines and medical supplies at the health facilities is an indicator of a state of human well-being as it contributes to better health care.

The frequent stock outs in health facilities are most likely going to demoralize health workers' efforts in the provision of quality health services. This has been illustrated during the medical doctors' strike in 2012. Among other reasons for the strike, medical doctors argued that an inadequacy of medical supplies and equipments affects their ability to provide quality health care .

SIKIKI, THEREFORE, RECOMMENDS THE FOLLOWING ACTIONS TO ADDRESS THE PROBLEM:

1. The government should immediately reallocate additional funds from other sectors and other departments within the MoHSW to raise the current budget allocation on essential medicines and medical supplies to at least TSH. 125 billion to meet at least half of the Ministry's estimated demand of TSH. 250/- billion.
2. In the medium term to the long term, the government needs to develop a sustainable solution for the funding of medicines and medical supplies by raising domestic tax revenues, through reducing tax exemptions and also by improving revenues of health funds like user fees and existing health insurance schemes such as CHF and NHIF.

NOTE:

This paper was written to advocate for the increment in medicines and medical supplies budget during the parliamentary budget session in 2014. The key issues from the paper were shared with technical and political decision makers, media and other stakeholders. We believe this advocacy efforts contributed to the increase in budget to TSH. 70.5 billion for the fiscal year 2014/15.

This policy brief was prepared by: Sikika, a member of the policy forum Budget Working Group.



Sikika
House No. 69
Ada Estate, Kinondoni
Tunisia Road, Waverly Street
P.O. Box 12183
Dar es Salaam, Tanzania
Email : info@sikika.or.tz
Website: www.sikika.or.tz



Plot 14, Sembeti Road
Mikocheni B, P.O. Box 38486
Dar es Salaam, Tanzania
Phone: +255 22 2780200
Email: info@policyforum.or.tz
Website: www.policyforum.or.tz

² Sikika, 2012, Moral and Ethical Dilemma during Medical Doctors Strike, Tanzania