Health Sector Budget Analysis: For fiscal year 2017/2018

This brief report provides a brief analysis of the Ministry of Health Community Development, Gender, Elderly and Children (MOHCDGEC) budgets of the financial years 2016/17 and budget estimates of 2017/18 considering key objectives of the ministry. Further, this brief analysis provides a general review of MOHCDGEC's budget for the past five years. The objective of this brief is to present a summary analysis of the MOHCDGEC's budget to health sector's stakeholders for advocacy. This brief is being shared with members of the parliament, media houses, Public and various Health service providers.

Budget Analysis for the MOHCDGEC 2017/18

Introduction

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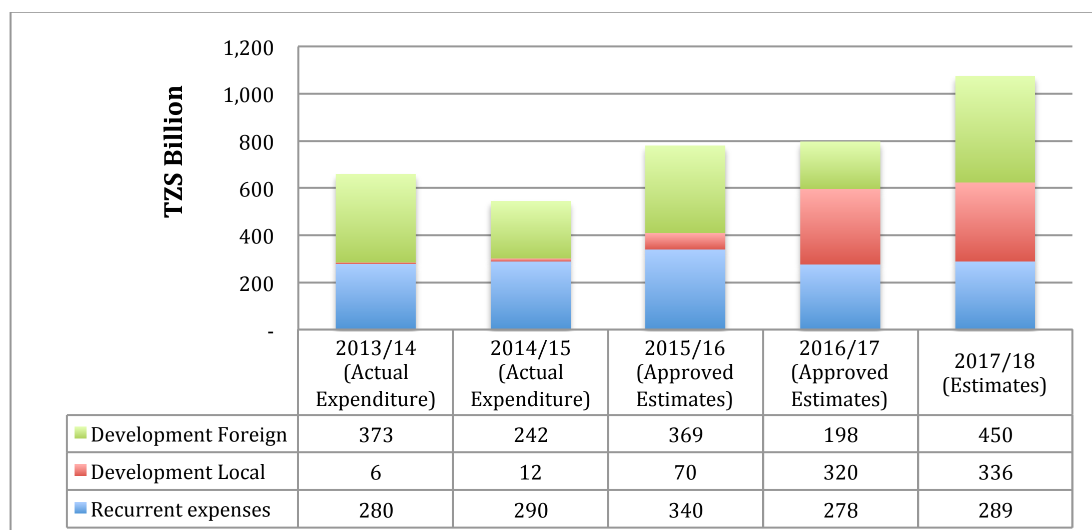
Trend of the MOHCDGEC Budget

MOHCDGEC Budget estimated for the FY 2017/18 is expected to increase by 26% from previous year approved budget. Observed increase is mainly on the account of the increase of foreign contribution to the development budget estimate of the ministry which has increased by 56%. However, positive increase on the local funding to development budget has as well being observed for the past five years (Figure 1).

Figure 1: Budget Trend 2013/14 -2017/18



	2013/14 (Actual Expenditure)	2014/15 (Actual Expenditure)	2015/16 (Approved Estimates)	2016/17 (Approved Estimates)	2017/18 (Estimates)
Development Foreign	373	242	369	198	450
Development Local	6	12	70	320	336
Recurrent expenses	280	290	340	278	289

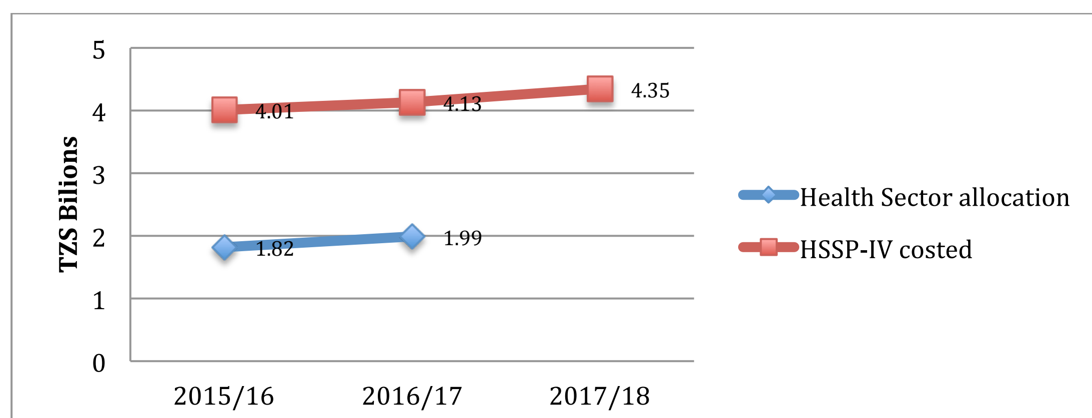
***Source**: MOHCDGEC budget books and Ministers Speeches*

Health Sector Budget Trend Against HSSP-IV

The Health Sector Strategic Plan IV (HSSP IV) as the guiding framework for the planning and implementation of the health sector in the country has estimated financial resource required to enable its implementation. For five year of HSSP IV implementation costs are estimated at TZS 21,945 billion. These will require strengthening Health systems and improving health services. The HSSP IV is approaching a midterm of its implementation, however financial gap remain a challenge for full implementation of the strategy (figure 2). Although it is difficult to obtain the actual fiscal space for the health sector we can indicate the financing gap between the HSSP IV costing and on budget allocation as indicated in the National

budget speeches. The gap remains significant large to be absorbed by other sources. Significant policy and systemic implementation measures need to be undertaken to cover the gap.

Figure 2: Health Sector Budget Trend Against HSSP-IV



Source: *MoHCDGEC & MoFP (HSSP-IV, Budget Speech & Books).*

Note: Health Sector Allocation for 2017/18 to be added after MOF Budget Speech

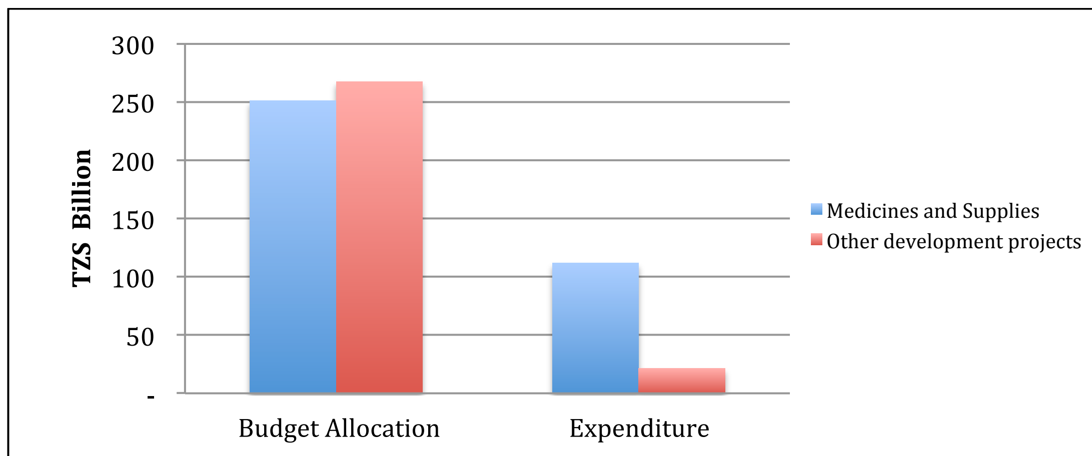
2016/17 Budget Implementations

The analysis of the implementation of 2016/17 MoHCDGEC's budget is based on Memorandum ("Randama") submitted to the members of parliament providing information on implementation of budget for first three quarters of the year. During this period, only 42.3% of the MOHCGDEC's budget has been disbursed. 73.1% of the total TZS. 277.6/=billion of the recurrent budget had been disbursed by the end of march mainly for personnel emoluments. For development budget, only 25.8% of the approved TZS 518.5/= billion has been disbursed. Most of the disbursed development budget is foreign funds accounting to 88% of the total disbursed development budget. Disbursement of development budget remains significantly inadequate and posse an implementation challenges.

Budget for Development Projects 2016/17

Approved development budget for the ministry was TZS 518.5/= billion, out of which TZS 251/= billion (48%) is for medicines and supplies including repayment of MSD debt. By the end of March 2017 only TZS. 133.8/= billion (25%) has been disbursed to MOHCGDEC, of which 84% of the disbursed resources was for medicines and medical supplies (TZS 112 billion) and the remaining 16% was disbursed to other development project. (figure 3).

Figure 3: Development Project Budget Allocation vs. Expenditure 2016/17



Source: *Revenue Plan, Recurrent and development projects for the fiscal year 2017/2018 (MOHCDGEC)*

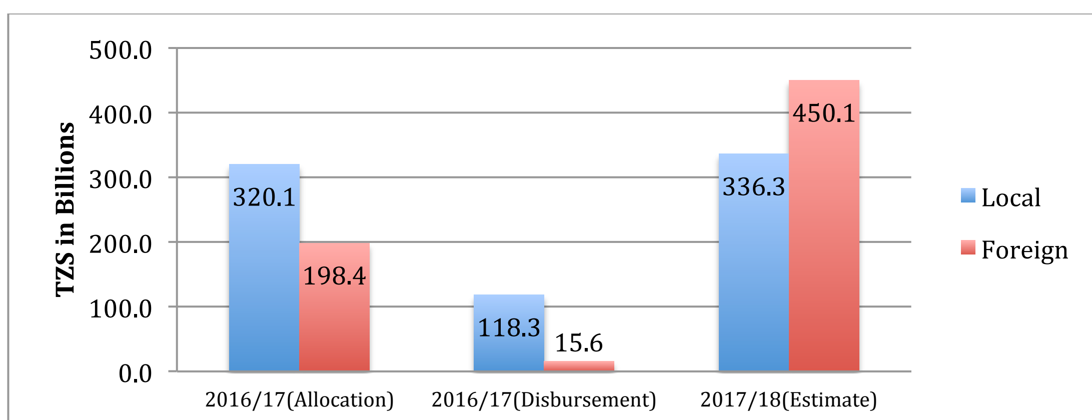
The findings significantly indicate possible non complition of most development project as planned. Government should prioritize and ensure local resources are being disbursed to implementing institutions as plannned.

2017/18 Budget Estimates as submited to the parliament.

Trend Budget for Development Projects 2016/17 -2017/18

MOHCGDEC's budget is estimated to increase in nominal terms by 34% in FY 2017/18 from current year on the account of 52% increase in development budget. A moderate increase of 4% is anticipated in recurrent budget. Foreign funding of the development projects is expected to more than double (by 127%) while local funding increase by only 5%. The analysis indicate continous significant dependency in foreign source of funding to the health sector specifical for development iniative.

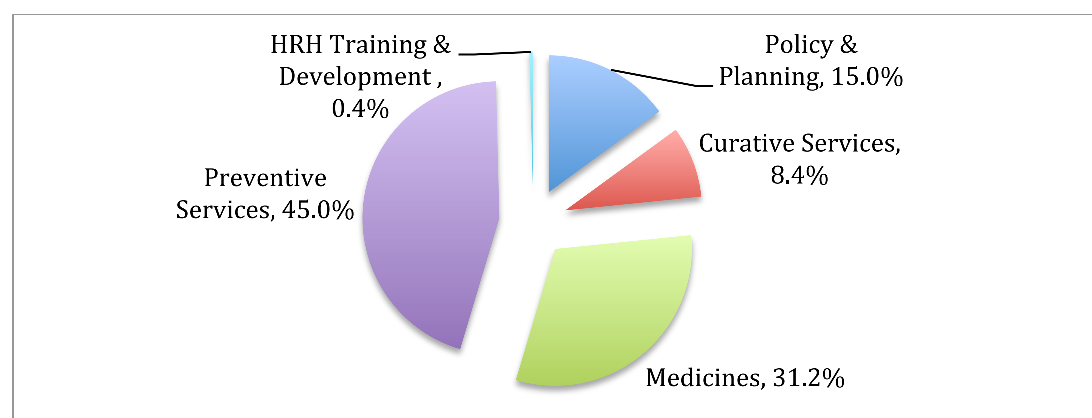
Figure 4: Budget Trend 2016/17 -2017/18 development projects.



Source: *MoHCDGEC 2017/18 Budget Book. 2016/17 disbursement up to March 2017*

Development budget for fiscal year 2017/18 has been distributed into 5 main categories (figure 5). As indicated in the figure bellow allocation to to HRH training remain significant low. A further analysis need to verify if it is inline with the HSSP IV which indicate a total of 20% of the whole HSSP IV costing. Investimate in public health institution remain critical to address improvement in primary health care.

Figure 5: Allocation of the Development Budget per Categories 2017/18



Source: *MoHCDGEC 2017/18 Budget Books*

Health Commodities budget

Budget allocation to health commodities budget has been inconsistent over the years with most allocation observed in FY 2016/17 at TZS 251.5 billion. Although, actual disbursment up to the end of March 2017 remain higher by over 70% of the disbursment in previous year, close follow up remain relevant to ensure such trends are consistent with growing needs. Government can be commended for such an achivement. However, a positive trajectory in not foreseen, the proposed estimates for FY 2017/18 has taken a turn by 6% from current year budget (table 1). From previous years assesment government should strive to achieve the actual need of TZS 577+ billion.

Table 1: Budget trend for Health commodities

	2013/14	2014/15	2015/16	2016/17*	2017/18
Total budget (bn)	64	70.5	31	251.5	236.9
Budget variance %)		10%	-56%	711%	-6%
Disbursed (bn)	50	20	24	112.4*	
Disbursed (%)	78%	28%	77%	45%	
Demand (bn)	549	577	577+	577+	577+
Gap: Disbursed vs Demand	499	557	557+	464.6+	

Source: *MOHCDGEC*
** disbursement figure up to end of March 2017 only.*

Case one

Availability of health commodities remain relevant on account of progress in various countries health indicators. Eg. need for safe blood is important for maternal health, increasing casses of fatal injuries in road accidents (As reported on "Daily News" paper of January 7th ,2017 indicating a 16% increase in road accidents from year 2015 to 2016). Maternal mortality ratio (MMR) has increased from 456 per 100,000 births in 2010 to 556 in 2015 (DHS 2015/16). One of the main contributing factor is postpartum hemorrhage (excessive blood loss occuring after giving birth) requiring replishnement with safe blood; hence improved availability of blood will contribute directly to a reduction in MMR.

In year 2016/17 the budget proposed estimate for collection and management of safe blood was TZS

10 billion, however only TZS 3/= Billion was approved. TZS 1.5 billion was disbursed to collect 88,800 blood units which were significant below the estimated actual need of 300,000 units per year (RMO report 2016). The remaining TZS 1.5/=Billion was spent in construction of blood satelites in BRN regions. For the proposed budget estimates for FY 2017/18 a request is being placesd to alllocate TZS 13.5 Billion for safe blood of which TZS 1.5 billion is for construction of blood satellites.

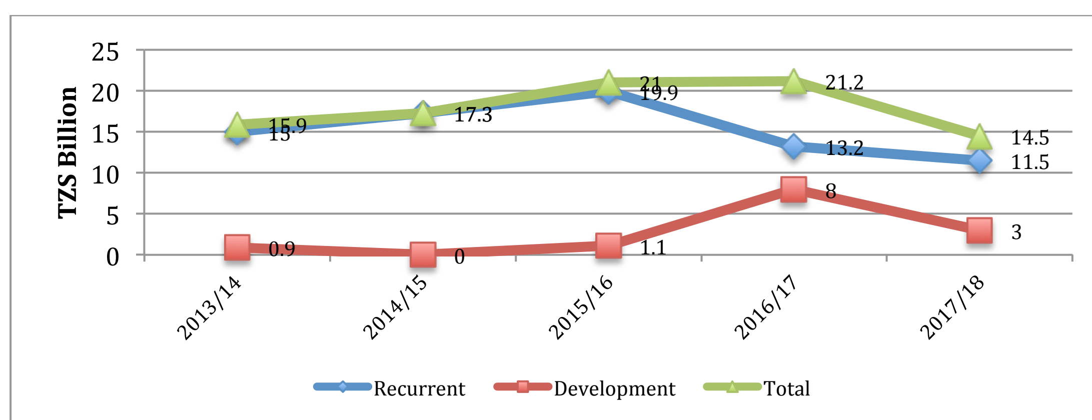
Despite of the small increase in budget estimate for safe blood from TZS 10/= billion to TZS 13.5/= Billion in 2017/18, there is a need to ensure that the estimated quantities are approved and fully disbursed to improve availability of safe blood in the country.

Budget for HRH training and development

Significant human resource for health (HRH) gap remains a challenge across the country. In FY 2016/17, the budget Implementation report indicates a HRH deficit of 49% in all cadres. The deficit is mainly on the account of inadequate budgets for training, deployment and distribution. Which calls for significant increase in budgets for HRH development and deployment.

For the past five years' budgetary allocation to HR development and training department has remained constant with possible decrease in next financial year. Although the department allocation only represents a very limited part of the HR development in the country but remain significant relevant for reducing HRH deficit in the country. Increasing population and burden of diseases continue to increase the demand side of HRH. More investment is needed from the government. For FY 2016/17 a positive trajectory was observed on the development budget where 8 billion was approved (Figure 6). However, up to the end of March 2017 no financial resources were disbursed to the department for development. It is unlike that implementation will be concluded before end of the year.

Figure 6: Budget trend for department of Human Resource development and training.



Public Health Insurance

It is important to recognize government efforts on resource mobilization through health insurance schemes including NHIF and CHF/TIKA. Various benefit schemes have been introduced under NHIF to cover for different groups including schemes for University students, voluntary individuals, toto afya and KIKOA. For the past two years limited popularity of the scheme is being observed. Enrolment has been more for formal sector, and very limited to the informal sector accounts for the bigger

population size (Table 2). Significant effort will have to be made both on policy and health systems to improve the supply side towards to improve enrolement. Only 23% of the informal sector population is insured.(MOHCDGEC Implementation report 2016/17). In FY 2016/17, TZS 328 million was spent in advocating for enrollment to health insurances in only 259 wards. However enrolment in special groups droped significantly by 42%. Further, TIKA scheme has been in operational for the past but no data is availabe to the public for analysis.

Figure 7: Trend of Public Health Insurance members

Insurance	NHIF	CHF	Special groups
2015/16	702,598	1,452,855	99,543
2016/17	792,987	1,595,651	58,015
% Variance	13%	10%	-42%

***Source**: MOHCDGEC Implementation report 2016/17*

The implementation report 2016/17 has not pointed out collections due to NHIF/CHF but rather the lumpsum disbursement of TZS 12.3/= Billion of matching grant since its inception in 2009. The responsible authority needs to provide a detailed information on annual collections and their matching grants to be able to follow the trend.