



ADVOCACY PAPER ON BUDGET ALLOCATION FOR ESSENTIAL MEDICINES, MEDICAL SUPPLIES AND EQUIPMENTS

Introduction

Frequent stock outs of essential medicine and medical supplies at public health facilities are the 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 budget from 2008/2009 to 2013/14 in order to show the trend for budget allocation for essential medicine and medical supplies. In addition, the Hansards of the debate about the MOHSW budget of the same fiscal years were reviewed to determine to what extent the members of parliament have influenced the budget to increase.

Stock outs

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 a state of well being of the community.

Various assessments have shown that availability of tracer essential medicines and medical supplies to public health facilities is low. For example the study conducted by the Ifakara Health Institute (IHI) in 2008/09 and 2012 showed the availability of antibiotics to be at 32% and 57% respectively¹. The Midterm analytical review of performance of the Health Sector Strategic Plan III report² shows that the median

¹ Ifakara Health Institute (2013) "Tanzania Service Availability and Readiness Assessment (SARA) 2012 -Dar es Salaam: Ifakara Health Institute.

² MOHSW: *Midterm analytical review of performance of the Health Sector Strategic Plan III 2009-2015*, September 2013.



availability of tracer medicines was at 22% in 2008/09, 20% in 2012 and 19.4% in 2013. A study published in 2013 by Sikika showed that 52%(N=52) of the hospitals were lacking essential medicine and medical supplies for the period of more than 4 weeks³. In another study also by Sikika, it indicated that 42% of District Medical Officers (DMOs) reported that they did not have gauze for three to six months and longer in 2011⁴.

Budget Trend for Essential Medicine and Medical Supplies

For the above reasons, Sikika analyzed the Ministry of Health and Social Welfare's (MoHSW) budgets from 2008/09 to 2014/15 budgets⁵. The analysis shows that, there has been uneven 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 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 the table below. On the contrary, the total budget for the MOHSW in 2011/12 was 13.6% less than in the MOHSW budget 2010/11 but the allocation for the essential medicines and medical supplies went up by 4.4%. This increase and decrease for budget allocation raises questions concerning the priorities and criteria that are used in setting a budget.

³ Sikika: Report on Availability of Essential Medicines, Medical Supplies and Bed Capacity in Hospitals in Tanzania mainland, March 2013

⁴ Sikika: Medicine and Medical Supplies Availability Report: Using absorbent gauze availability survey as an entry point: A case of 71 Districts and 30 Health Facilities across mainland Tanzania, May 2011

⁵ 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).



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

Year	MoHSW budget (Tsh. Bn)	total 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 2014/15 the budget allocation has been negatively related to the demand of essential medicine and medical supplies which is 250 billion against the expected allocation of 45 billion. This allocation covers only 7.7% of the demand.

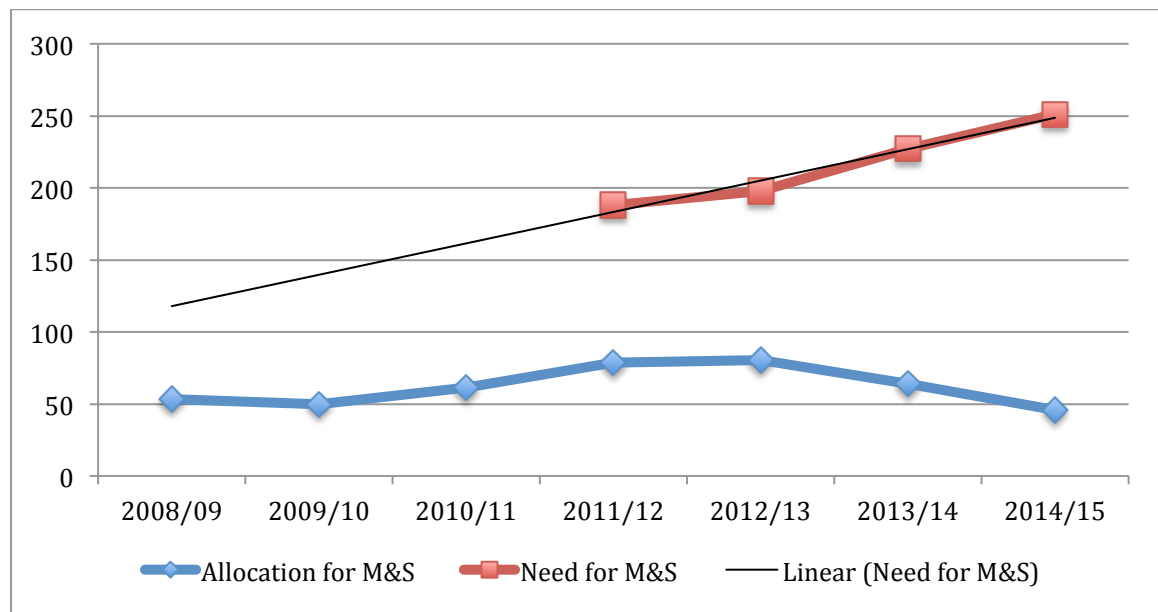
Above all, despite the MOHSW priority is to reduce maternal and child mortality rates, the budget allocated for delivery kits has been decreasing year after year. For example in the fiscal year 2012/13 the budget allocated was 4 billion. This budget decreased to 3 billion in the year 2013/14. And if there will be no change, the budget will decrease down to 1.5 billion in the year 2014/15.

Although demand estimates from the NIMR differ from those of Pharmaceutical Services Section (PSS) (see figure 1 below) yet 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 allocation of budget for essential medicines and supplies for the period 2008/09 - 2014/15.

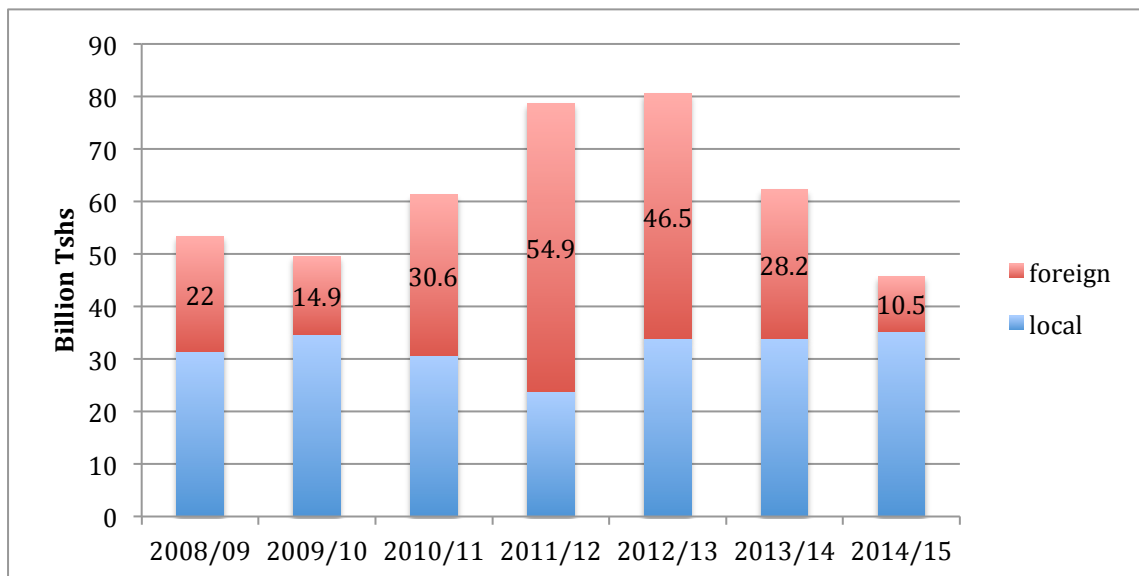
Figure 1: Trend of budget for essential medicines and medical supplies versus demand.



Donors' contribution on the budget for essential medicines and medical supplies

To a large extent, the budget for essential medicines and medical supplies has been depending on donors' contribution. However apart from the increment in 2010/11 to 2011/12 donors' contribution have decreased from 54.9/-billion in 2011/12 to 10.5 /-billion in 2014/15 as shown in Figure 2. While donors' contributions keep on decreasing, the government's share of the budget for essential medicines and medical supplies has been fairly constant at an average of 31.5/-billion since 2008/09 to 2014/15. It was expected that the government could have increased its share on the budget allocation for the essential medicine and medical supplies to bridge the difference left by donors but it has failed for the past three years.

Figure 2: Local versus foreign (basket) budget allocation on essential medicines and medical supplies



Effect of stock out

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. As explained by the World Health Organization (WHO), 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.⁶

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 care⁷.

⁶ <http://www.who.int/mediacentre/factsheets/fs325/en/>

⁷ Moral and Ethical Dilemma during Medical Doctors Strike in Tanzania in 2012: September 2012



Parliamentary debate

Members of the parliament (MPs) have a vital role to play in ensuring that all citizens have access to quality and affordable health care. This includes ensuring that the MOHSW's budget matches the country's needs.

Sikika therefore, reviewed the hansard on budget presentations on issues related to essential medicines and medical supplies for the MoHSW from 2008/09 to 2012/13. The review revealed that the MPs have been arguing to increase the budget allocation for the essential medicine and medical supplies every year, as it does not match the demand. Moreover, issues related to inadequate of medicine and medical supplies, poor distribution, stock outs were also raised during the discussions. Table 2 below summarizes the results on the number of MPs who contributed to the MOHSW budget.

Table 2: Number of MPs who Raised issues on the medicine and medical supplies for financial years from 2008/09 - 2012/13⁸

Fiscal year	Number of MPs contributed to the MOHSW Budget	Number of MPs who raised issues on the medicine and medical supplies	Percentage of the MPs who raised issues on the medicine and medical supplies
2008/09	78	25	32
2009/10	73	16	23
2010/11	99	38	38
2011/12	135	52	36
2012/13	105	50	48

In the fiscal year 2009/10 about 23% of the MPs raised concern on shortage of essential medicine and supplies in their constituencies, as budget allocated was low. In responding to this concern, the Minister of Health and Social Welfare said that the fund allocated for essential medicine and medical supplies were only 56% of the actual demand for that year⁹.

⁸ <http://polis.parliament.go.tz/PAMS/docs>

⁹ <http://bunge.parliament.go.tz/PAMS/docs/HS-16-41-2009.pdf>



However, despite of their recommendations and concerns there were either a slight raise of the budget allocation or the budget kept decreasing on the following budgetary years. For example in the fiscal year 2011/12 discussion, about 32% of those who contributed to the discussion argued for the raise in either the MOHSW budget or for the essential medicine and medical supplies¹⁰ and there was a raise of only 2.3% on the following year 2012/13. This brings a question to what extent the parliament can influence substantial change in the budget allocation for essential medicine and medical supplies. Moreover, when will MoHSW increase the substantial amount to bridge the demand gap?

Apart from the debate on shortage of essential medicines and medical supplies, the MPs have been voicing that the government should pay the growing MSD debt. In the year 2013 the government promised to pay the debt, which was 76.4 billion, surprisingly the debt has grown up to 89 billion in 2014.

Sikika is therefore recommending the following to address the problem:

1. The government should find additional funds from other sectors (reallocation) to top up the current budget allocation on essential medicines and medical supplies to the current estimated demand of 250 billion
2. The MoHSW should reallocate funds from other departments to essential medicines and medical supplies so as to have a realistic budget that will tally with the actual needs/demands.
3. The government should negotiate with donors to add more funds in the 2014/15 budget (as an immediate solution) while working on long term solutions such as improving its tax funding (and management), reducing tax exemptions and also to improve revenues of health funds like CHF and NHIF. The government must be the core funder for essential medicines and medical supplies.
4. The planning and allocation of the budget should incorporate the suggestions and concerns raised by the parliamentary social services committee, the shadow minister of health and social welfare and members of parliament during budgetary discussion.

¹⁰ <http://polis.parliament.go.tz/PAMS/docs/HS-4-22-2011.pdf>