2015

Health Sector Budge Analysis

For Fiscal Year 2015/2016

A health sector budget analysis was conducted looking a government's fiscal priorities and financial estimates for the fisca 2015/16. Information was gathered from the Ministry of Healt Social Welfare's memorandum and the budget books volume II, III a The government has allocated 8.1% of the total budget to health, whic short of the Abuja target of 15%. With such severe funding shortage unlikely that the government is able to achieve its goals in important such as human resources for health, HIV/AIDS and medicines and m supplies. Sikika recommends expediting the planned introducti mandatory health insurance, which will help to reduce the funding gap

Health Governance and Financing Department

Executive Summary

Sikika has conducted a health sector budget analysis looking at the government's fiscal priorities and financial estimates for the fiscal year (FY) 2015/16 and compared them with the previous two years. The purpose of the study is to inform the budget formulation process of the upcoming fiscal year 2016/17. Data was gathered from the Ministry of Health and Social Welfare's memorandum and the budget books volume II, III and IV.

The first part of this analysis compares the budget allocation of the health sector with policy targets like the Abuja declaration and the Health Sector Strategic Plan (HSSP) IV. Further, it examines the funding at the central government by looking at the budget of the Ministry of Health and Social Welfare, and it also analyses the funding of regional hospitals through the Prime Minister's Office-Regional Administration and Local Government (PMO-RALG).

The second part of the study presents the financing levels and trends of three important thematic health areas, namely HIV/AIDS, human resources for health, and essential medicines and medical supplies.

Findings

In the FY 2015/16, the government of Tanzania allocated a total of TZS 1,821 billion to the health sector, which is equivalent to 8.1% of the government's total budget of TZS 22,495 billion. This means that the government is yet to fulfil its Abuja agreement of allocating 15% of its total budget to the health sector.

The Ministry of Health and Social Welfare's budget was TZS 814 billion of which TZS 369 billion were allocated for recurrent expenses and TZS 445 billion for development activities. Recurrent expenses have been continually increasing from year to year. The development budget dropped in the FY 2014/15 compared to previous financial year (2013/14), but in the current financial year (2015/16), the budget rose again. The ups and downs of the development budget occurred mainly due to foreign funding.

For regional hospitals, the recurrent budget rose from TZS 65 billion in 2013/14 to TZS 79 billion in 2014/15 and further increased to TZS 103 billion in 2015/16. There was a three-fold increase of local development funding between 2013/14 and 2014/15. Nevertheless, large contributions from development partners in 2014/15 and 2015/16 increased the share of foreign financing in the development budget to levels above 80%.

The total amount allocated to TACAIDS has been declining for the past three years. The decline was mainly due to a shrinking development budget that has been entirely financed by development partners. On the other hand, the domestically financed recurrent expenditure budget has increased from TZS 1.7 billion in 2013/14 to TZS 4.44 billion in 2015/16.

Development expenditures for the National AIDS Control Programme (NACP) were reduced in 2014/15 and then went up again in 2015/16. The development expenditures for the NACP are mainly for the procurement of antiretroviral drugs (ARVs).

Despite the fact that 'human resources for health' is one of the four components of the Big Results Now (BRN) initiative and one of the major 'key result area' in the Health Sector Strategic Plan IV, the recurrent budget of the directorate of Human Resource Development (HRD) decreased from TZS 23.2 billion in 2014/15 to TZS 19.9 billion in 2015/16. The development activities in the HRD department were mostly funded by local sources.

For the past two years, the allocations for essential medicines and medical supplies have been alarmingly low compared to the estimated demand. The budget has been cut by 48% from the previous year's approved estimate. Local funding declined from TZS 60 billion in 2014/15 to TZS 36 billion in 2015/16. Foreign funding for essential medicines has also been gradually declining from TZS 30 billion in 2013/14 towards zero in the fiscal year 2015/16. With such a low allocation, it is questionable that this budget is adequate to achieve the HSSP IV objective and BRN initiative.

Conclusion and Recommendation

It is evident that the government has not been able to allocate adequate financial resources as per the Abuja declaration or the Health Sector Strategic Plan – IV. The trend analysis has shown that recurrent estimates are steadily increasing whereas the development budget is less predictable due to unsteady flow of foreign resources. Under such conditions, it is questionable that the goal 'universal health coverage' will be achieved within the stated period. Sikika recommends the newly elected governments at central and local level to expedite the establishment of a functional, solidary national health insurance system that mobilizes sustainable local revenues.

The HIV/AIDS sector is highly dependent on a few donors exposing it to high risk of unsustainable finances. While the establishment of the AIDS Trust Fund (ATF) is commendable, its operationalization should be accelerated to ensure that people living with HIV/AIDS have access to sustainable comprehensive care.

The budgets for human resources and medicines are not sufficient to achieve the current policy targets (BRN, HSSP-IV). To ensure the availability of qualified human resources for health, the government needs to provide more financial resources. Further, to make medicines and supplies accessible to the poor, the government should revise the exemption and waiver-policy and provide adequate assistance to those who cannot afford making out-of-pocket payments.

Table of Contents

List of Figures

List of Abbreviations and Acronyms

AIDS	Acquired Immunodeficiency Disease Syndrome
ARV	Anti-retroviral
ATF	AIDS Trust Fund
BRN	Big Results Now
CD4	Cluster of Differentiation
CFS	Consolidated Fund Services
CTC	Care and Treatment Centres
DHR	Human Resources Development
FY	Financial Year/ Fiscal Year
HIV	Human Immunodeficiency Virus
HSSP-IV	Health Sector Strategic Plan (*fourth*)
ICT	Information Communication Technology
ILO	International Labour Organization
MNH	Muhimbili National Hospital
MoFEA	Ministry of Finance and Economic Affairs
MOHSW	Ministry of Health and Social Welfare
MOI	Muhimbili Orthopaedic Institute
NACP	National AIDS Control Programme
NGOs	Non-Governmental Organization
NIMR	National Institute of Medical Research
ORCI	Ocean Road Cancer Institute
PEPFAR	President's Emergency Plan for AIDS Relief
PMO-RALG	Prime Minister's Office for Regional Administration and Local Government
PPP	Public-Private-Partnerships
STI	Sexually Transmitted Infections
TACAIDS	Tanzania Commission for AIDS
TZS	Tanzanian Shillings

Introduction

Health financing is an essential building block of any health system. Its purpose is to mobilize the resources that are necessary to ensure that all citizens enjoy access to quality health services. The Tanzanian health sector is mainly financed through public funds and foreign development grants that are earmarked for the health sector.[1] The government's annual budget provides useful information about the available resources and how they are allocated to health priority areas.

The first chapter of this health sector budget analysis looks at the government's fiscal priorities and financial estimates for the fiscal year 2015/16. It analyses the budget for the Ministry of Health and Social Welfare (MOHSW), which is responsible for financing operations performed by the central government, and it examines the financial estimates of the Prime Minister's Office for Regional Administration and Local Government (PMO-RALG), which provides funding for regional hospitals.

The second chapter is dedicated to the financing situation of three important thematic health areas, namely 'Human Resources for Health', 'Medicines and Medical Supplies', and 'HIV/AIDS'. The last chapter concludes and provides recommendations to inform the budget formulation process of the upcoming fiscal year 2016/17.

Health Sector

This chapter presents the government's fiscal priorities for the health sector followed by a comparison of the budget allocation with policy targets like the Abuja target and the Health Sector Strategic Plan (HSSP) IV. This is followed by a deeper examination of the health sector funding trends at the central and regional levels.[2]

Fiscal Priorities

For the financial year 2015/16, the Ministry of Health and Social Welfare (MOHSW) identified the following health sector budget priorities.

- To strengthen preventive services, curative services, to increase equity in health service provision so as to reduce maternal mortality.
- To improve infrastructure in the health and social welfare training institutes with the aim of increasing enrolment and thereby increase the amount of human resources production.

[1] All other health expenses have to be covered by private contributions from households, like out-of-pocket payments and insurance premiums. As these expenses are not part of the annual budget, they are not subject to this analysis.

[2] Local health expenditures could not be analysed as the government did not make the relevant information available to the public.

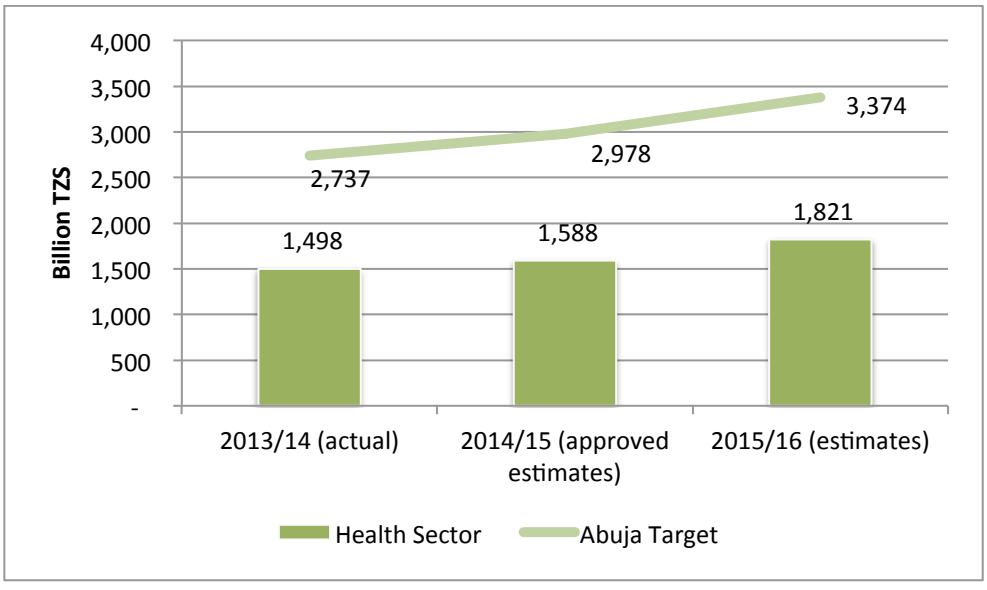
- To continue with construction, expansion and rehabilitation of infrastructure for service provision at Muhimbili National Hospital, Muhimbili Orthopaedic Institute, specialized hospitals (ORCI, Mirembe, and Kibong'oto) and zonal referral hospitals including those in Mbeya and Mtwara.
- To improve cooperation between the government and the private sector in service provision through public-private-partnerships (PPP).
- To strengthen nutrition services and its availability in the community and health facilities.
- To strengthen ICT services for easy communication and information sharing.
- To implement the Big Results Now initiative (BRN) through ensuring availability of medicines and medical supplies, human resources for health and increase maternal and child health services at all levels of service.
- To sensitize citizens to increase the number of citizens joining health insurance schemes.

To promote these fiscal priorities in 2015/16, the government allocated TZS 1,821 billion to the health sector. This amount is equivalent to 8.1% of the government's total budget of TZS 22,495 billion (including the Consolidated Fund Services (CFS) amounting to TZS 6,396 Billion). This fiscal policy lies well in the trend of the past three fiscal years in which the average health sector budget allocation amounted to about 8% of the total budget.

Fiscal Gap

However, according to the Abuja Declaration, the government needs to allocate 15% of its total budget to the health sector. If the government adhered to the Abuja target, it would have to allocate TZS 3,374 billion to the health sector instead of only TZS 1,821 billion. It would require an additional TZS 1,553 billion to close this financing gap.

Figure 1: Health Sector Budget 2013/14 - 2015/16 and Abuja Target



Source: MoFEA (2015d) and MoHSW (2015a).

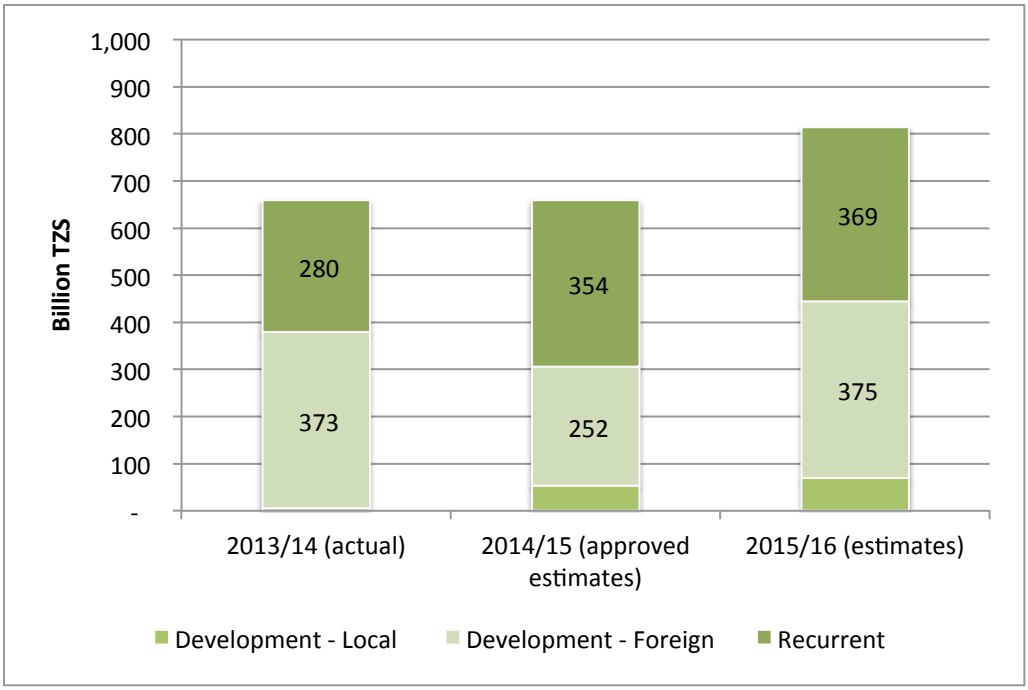
The Ministry of Health and Social Welfare estimates that the implementation of the Health Sector Strategic Plan IV will cost about TZS 22,065 billion over the period from 2015-2020. For the fiscal year 2015/16 alone, the required funding is estimated at TZS 4,051 billion.[3] This means that the current health sector budget allocation of TZS 1,821 billion falls short of the estimated need by TZS 2,230 billion. To eliminate this funding gap, the government would have to increase the health sector budget by more than twice the current amount.

If such severe funding shortages continue, it is unlikely that the government will be able to achieve its strategic health policy targets like universal health coverage and it will not be able to fulfil its aim of reducing the burden of communicable and non-communicable diseases.

Ministry of Health and Social Welfare

From the health sector budget in 2015/16, about TZS 814 billion have been allocated to the Ministry of Health and Social Welfare.[4] From that grand total, the Ministry earmarked TZS 369 billion for recurrent expenses while TZS 445 billion were allocated to the development budget.

Figure 2: Ministry of Health and Social Welfare Budget 2013/14 - 2015/16



Source: MoFEA (2015a) and MoFEA (2015c).

The trend analysis shows that the 2015/16 budget of TZS 814 billion is 23% larger than the TZS 660 billion which were approved in 2014/15. The actual expenditure in 2013/14 amounted to

[3] Health Sector Strategic Plan (HSSP IV) (2015) page 76.

[4] This amount represents 45% of the total health sector budget of TZS 1,821 billion.

TZS 659 billion. Figure 2 also shows that the recurrent budget has been steadily increasing from TZS 280 billion in 2013/14 to TZS 354 billion in 2014/15 and further to TZS 369 in 2015/16.

However, the development budget dropped by about TZS 73 billion from TZS 379 billion in 2013/14 to TZS 306 billion in 2014/15. In 2015/16, the development budget was raised to TZS 445 billion due to a large increase of about TZS 140 billion.

These large shifts in the development budget originate mainly from foreign funding (Global Fund and basket fund) which was reduced by TZS 121 billion TZS in 2014/15 before it returned to almost the same level of TZS 375 billion in the budget 2015/16. The directorate for Preventive Services received the largest share of development funding in all three financial years. It also accounts for most of the reduced development funding in the FY 2014/15 (refer to annex 1).

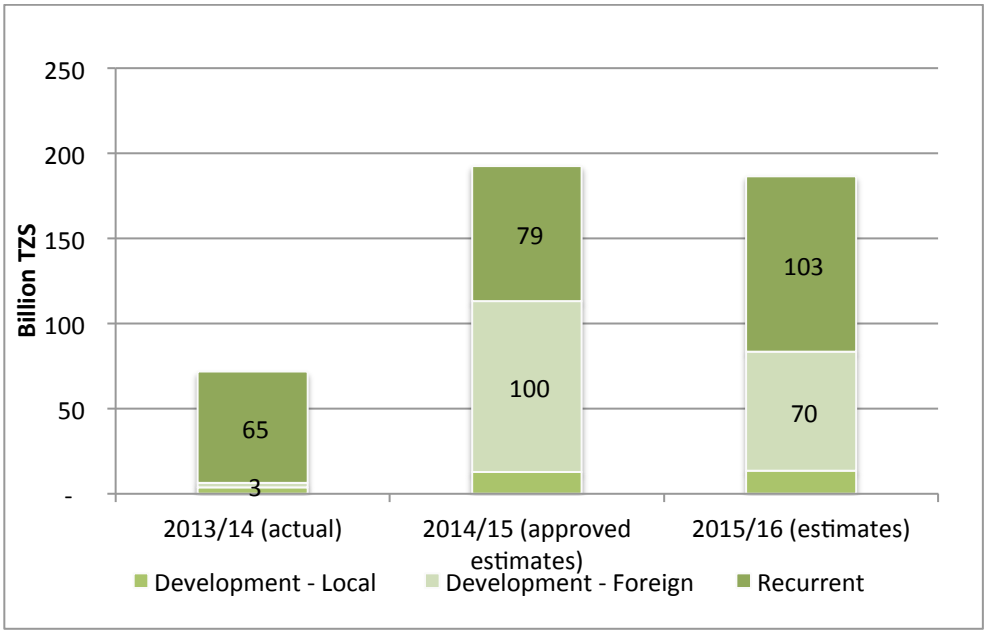
There has been a 30% increase (TZS 16 billion) of local funds in the development budget from TZS 54 billion in 2014/15 to TZS 70 billion in 2015/16. Nevertheless, only 16% of the development budget 2015/16 is financed locally. The increase in local development funding has been dedicated to the directorate for Curative Services where it is earmarked for the construction and rehabilitation of health facilities. Other beneficiaries of local development funds are the directorates for Social Welfare and for Human Resources Development.

Regional Hospitals

After a surge (+TZS 121 billion) in the budget for regional hospitals in 2014/15, the allocation for 2015/16 was slightly reduced by TZS 6 billion to TZS 186 billion.

The recurrent budget for hospitals has been raised by 30% from TZS 65 billion in 2013/14 to TZS 79 billion in 2014/15 followed by another 37%-increase to TZS 103 billion in the FY 2015/16. For a detailed presentation of regional hospitals' recurrent budget refer to annex 2.

Figure 3: Regional Hospital Budget 2013/14 - 2015/16



Source: MoFEA (2015b) and MoFEA (2015c).

The development funding in 2013/14 amounted to only TZS 7 billion. In the following two years, this situation changed as foreign donors extended their financial support substantially: their funding increased to TZS 100 in 2014/15 after which it was reduced to TZS 70 in 2015/16. Local development funds have slowly increased from TZS 4 billion in 2013/14 to TZS 13 billion in 2014/15 followed by a moderate increment to TZS 14 billion in 2015/16. As a consequence, more than 80% of all development funds are provided by foreign donors.

Thematic Areas

This chapter looks at three thematic areas that are of particular importance to the health sector. The HIV/AIDS sector will be analysed by looking at the budget of the Tanzania Commission for AIDS (TACAIDS) and the National AIDS Control Programme (NACP). Moreover, the financial allocations for human resources for health and medicines and medical supplies will be analysed as well.

HIV/AIDS

The control of the HIV has been progressing well over the last decade. Increased access to antiretroviral treatment has helped Tanzania to reduce the impact of the epidemic. As a result, the number of people dying from an AIDS-related illness decreased by 44% between 2005 and 2013; and the total number of people living with HIV in Tanzania has declined from 7% in 2003/4 to 5.1% in 2011/12.

These achievements were made possible due to large amounts of foreign funding for anti-retroviral (ARV) drugs and related medicines and equipment; as a consequence, donor dependency in the HIV/AIDS sector is very high (approximately 97% in 2013). The Tanzanian government contributed through the supply of human resources that are required to provide the HIV/AIDS related services.

Despite the development partners' commitment to support HIV/AIDS programs in the country, a number of challenges have been reported such as occasional shortages of ARVs (the recent ones were in 2014) and an inadequate availability of supplies such as CD4 counting machines in Care and Treatment Centres, especially in rural areas.

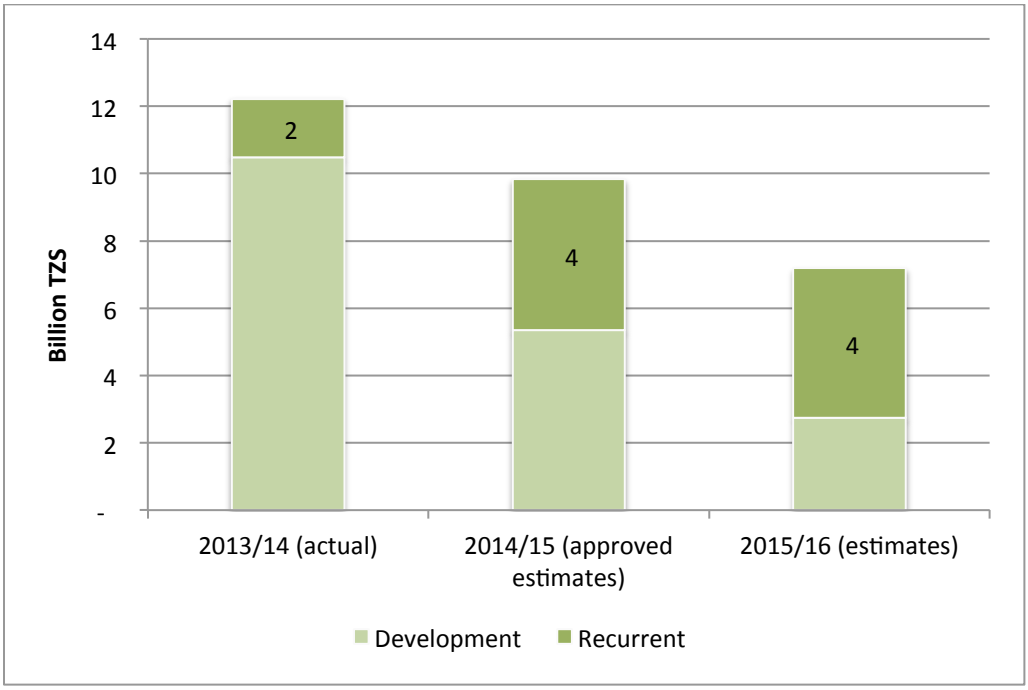
Tanzania Commission for AIDS

The Tanzania Commission for AIDS (TACAIDS) was formed in 2001 to lead the government's fight against HIV/AIDS through a multi-sectoral approach. The Commission operates under the Prime Minister's Office to provide policy guidance and co-ordinate the national response to HIV/AIDS in the country.

Over the past three years, the total amount allocated to TACAIDS has been declining. This trend is caused by a rapidly shrinking development budget that has been entirely financed by development partners. Their contributions fell from TZS 10.5 billion in 2013/14 to 5.3 in 2014/15 and further decreased to TZS 2.7 billion in the current fiscal year.

On the other hand, the domestically financed recurrent expenditure budget increased from TZS 1.7 billion in 2013/14 to TZS 4.48 billion in FY 2014/15 and then decreased slight by 0.9% to TZS 4.44 billion in FY 2015/16.

Figure 4: TACAIDS Budget 2013/14 - 2015/16



Sources: MoFEA (2015a) and MoFEA (2015c).

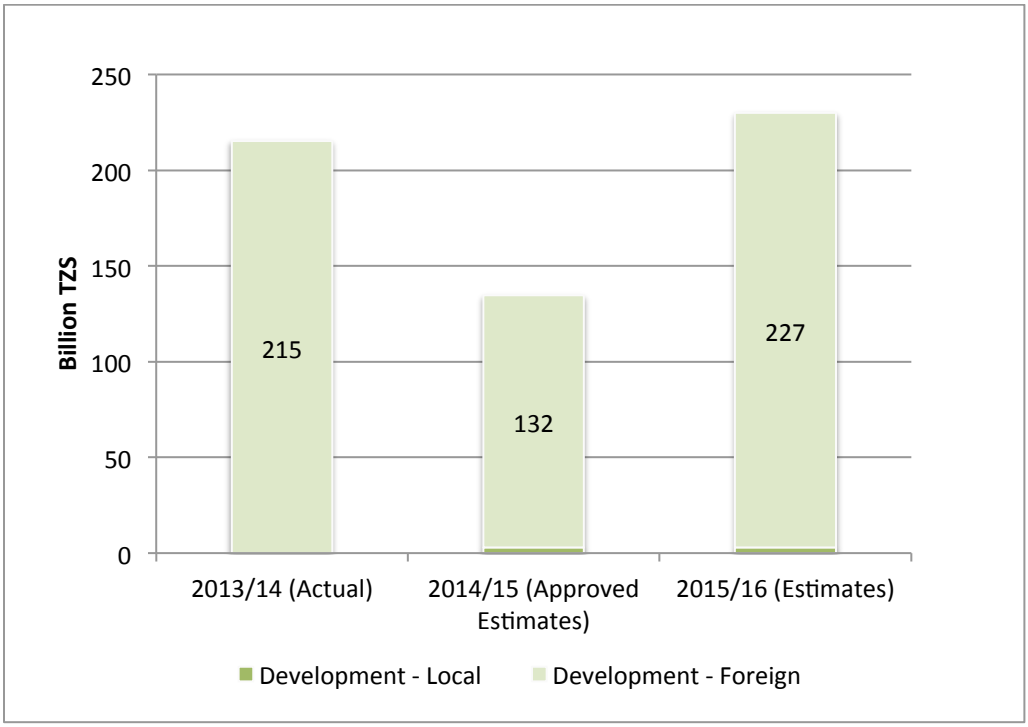
National AIDS Control Programme

The National AIDS Control Programme (NACP) operates under the Ministry of Health and Social Welfare. The programme manages the implementation of various interventions including patient care, sexually transmitted infection (STI) services, blood safety, public health education, voluntary counselling and testing. Also, the programme ensures the coordination of internal and external partners (donors, NGOs), the monitoring and evaluation of the programme, as well as the distribution of commodities.

Tanzania has been receiving funds from different international organizations like the Global Fund, PEPFAR, etc., to reduce the HIV/AIDS burden in the country.

Recurrent expenditures for NACP are not specified anywhere in the recurrent budget books. On the other hand, development expenditures are well documented and will be analysed and discussed below.

Figure 5: NACP Development Budget 2013/14 - 2015/16



Source: MoFEA (2015c).

According to figure 5 above, the allocation to NACP was reduced from TZS 215 billion in 2013/14 to TZS 131 billion in 2014/15 and went up again in 2015/16 to a total of TZS 229 billion which has been allocated mainly for the procurement of ARVs. The observed unstable trend is attributed to the donor community which makes long term planning challenging.

Domestic funds for development in this sector are very low and they have been allocated for the construction of NACP headquarters, which is among the government's priorities for the FY 2015/16. The Ministry has allocated TZS 3 billion from domestic funds for that purpose – the same amount which was allocated in previous year.

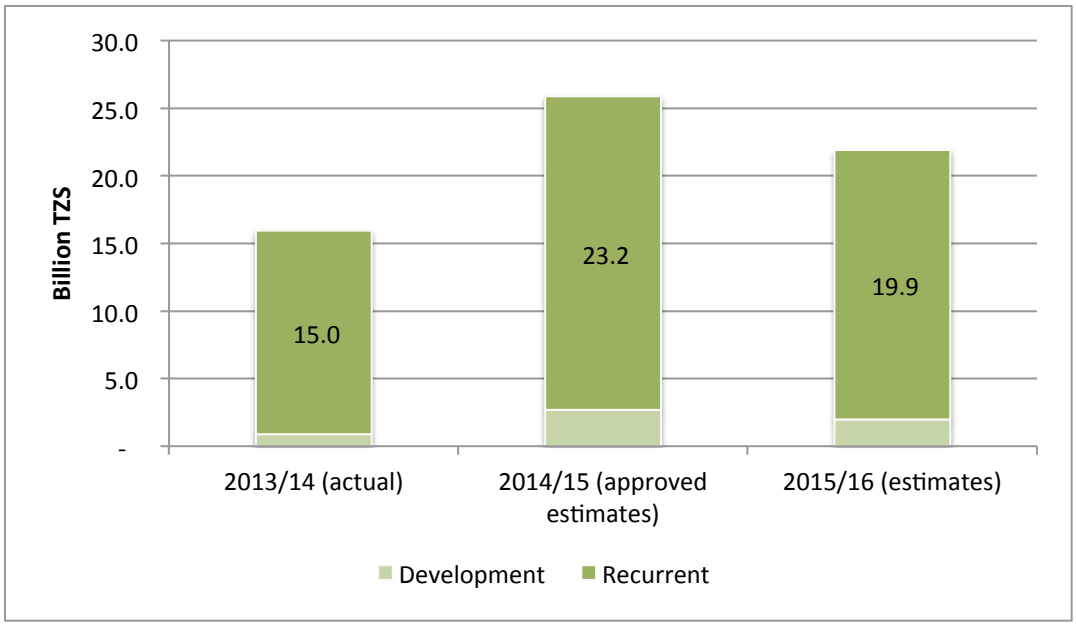
This intervention indicates that the government of Tanzania uses local resources to build HIV/AIDS infrastructure and leaves the obligation to supply HIV/AIDS commodities to development partners.

Human Resources for Health

The existing health work force is estimated to be at 15 per 10,000 populations (MoHSW, 2015) whereas the International Labour Organization (ILO) proposes 41.1 health workers per 10,000 populations as a minimum density to provide universal health coverage.

Through the directorate for Human Resources Development (DHR), the Ministry of Health and Social Welfare manages 79 public health training institutes, supports 51 faith-based health-training institutes and other private institutes which are responsible for training mid-cadre healthcare professionals. The DHR funds health-training institutes through providing salary for staff (academic and support staff), allowances (for part-time tutors, leave travel, extra duty, and invigilators), and other costs. Moreover, the directorate pays for post-graduate training in domestic and foreign institutes. The costs include tuition fees, training allowances, learning materials, funds for research, and dissertations. Post-graduate students who are admitted in foreign institutes are also supported by receiving air tickets and up-keeping allowances.

Figure 6: Directorate for Human Resource Development Budget 2013/14 - 2015/16



Sources: MoFEA (2015a) and MoFEA (2015c).

The total budget allocation of the directorate for HRD increased from TZS 15.9 billion in 2013/14 to TZS 25.9 billion in 2014/15; then it dropped to TZS 21 billion in 2015/16. The same trend applies to the recurrent and development budget. Despite the fact that HRH is one of the four components of the Big Results Now initiative and a key result area in the Health Sector Strategic Plan IV, the recurrent budget has gone down from TZS 23.2 billion in 2014/15 to 19.9 billion in 2015/16. Regarding development funding, the HRD department received TZS 900 million in 2013/14 and TZS 2,698 million in 2014/15 from local sources. For the fiscal year 2015/16, the department has allocated development funding of TZS 1,968.9 of which TZS

1,821.2 million comes from local sources and TZS 147.7 million is contributed by foreign sources.

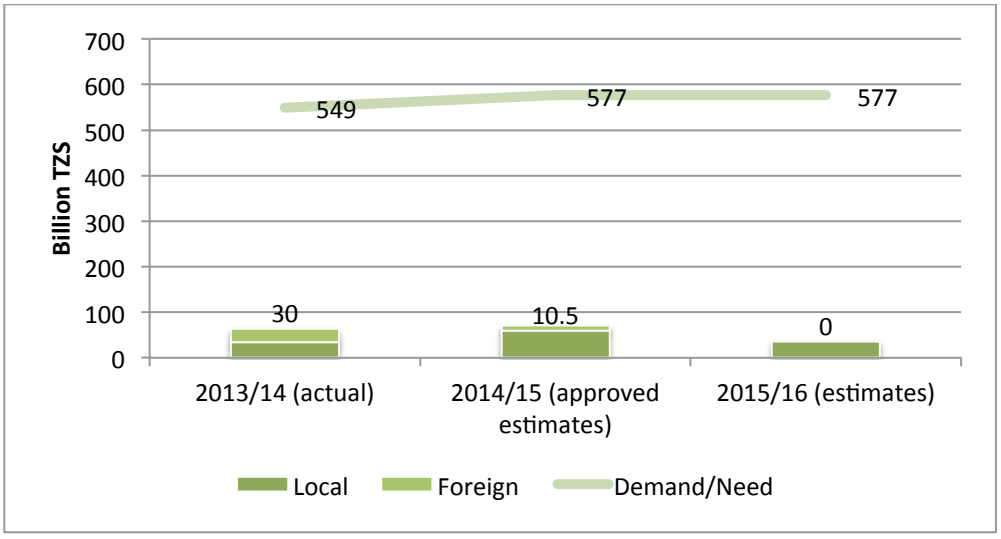
The HRD's development budget is another area that needs attention, especially as the Primary Health Service Development Programme (PHSDP) requires an expansion of health training institutes to increase the production of HRH.

Medicines and Medical Supplies

The availability of essential medicines in health facilities is another challenge to the health system. The World Health Statistics 2014 indicated that the median availability of selected generic medicines in public outlets is only 23.4%, while the percentage is about twice as high in private outlets (47.9%).[5] The shortages are caused by various factors including inadequate funding, poor planning and coordination, and inadequate tracking mechanisms. Moreover, inadequate pharmaceutical human resources at the facility level contribute to weak inventory management.

For the past two years, the allocations to essential medicines and medical supplies have been alarmingly low compared to the estimated demand. For the FY 2015/16, the MoHSW has allocated only TZS 36.2 billion for essential medicines and medical supplies, whereas the estimated need is more than TZS 577 billion.[6]

Figure 7: Budget for Essential Medicines and Medical Supplies 2013/14 - 2015/16



Sources: MoFEA (2015a); MoFEA (2015c); MoHSW (2015d) page 61.

[5] WHO (2014) World Health Statistics page 137.

[6] The estimates are computed from a study by NIMR (commissioned by the MOHSW) to document the actual demand using a number of factors (population, morbidity, consumption rate, etc.) and methods to estimate the actual need (refer MoHSW (2015d) page 61).

The budget estimate has been cut by 48% compared from previous year's approved estimate of TZS 70.5 billion. While local funding in 2015/16 is about the same level as 2013/14, foreign funding contributions to essential medicines have been declining for the past two years resulting in no funding for this financial year.

The HSSP IV set the objective to ensure 100% stock availability of essential medicines. With such a meagre budget allocation, it is questionable that this budget is adequate to achieve the HSSP IV objective. The current trend will considerably affect the provision of health services in the country, and it will also put a heavy burden on citizens who are not able to pay for medicines out of their empty pockets.

Conclusions and Recommendations

Conclusion

The government has not achieved the goal of allocating financial resources as per the Abuja declaration or the Health Sector Strategic Plan – IV. Given this trend, it is unlikely that the health sector targets of achieving universal health coverage and reducing the burden of communicable and non-communicable diseases will be achieved.

Domestic resources mostly finance the recurrent health budget, whereas the development budget is primarily provided by foreign funds. The domestic financing has a steady trend whereas the foreign revenues are less predictable. The erratic donor funding makes the implementation of long-term health policy targets unnecessarily challenging.

The HIV/AIDS sector is mainly dependent on very few donors, which is risky, especially if their contributions are reduced. The budgets for human resources development and medicines and medical supplies are not sufficient to meet policy targets that have been set under the Big Results Now (BRN) initiative and the Health Sector Strategic Plan IV.

Recommendations

Sikika recommends the newly elected government (central and local) to work towards ensuring universal health coverage by establishing the planned single health insurance system, which will make it mandatory for all citizens to contribute or receive subsidies depending on their income. The countrywide contributions will help to reduce the dependence on foreign funding and stable local funds will be available to the sector.

Sikika recommends the development partners to focus on steady, long-term investments that take into account domestic capacity to finance the subsequent recurrent expenditures.

The government has made a commendable step in the establishment of the AIDS Trust Fund (ATF). It is the shared responsibility of the government and its development partners to operationalize this fund as soon as possible so as to ensure that people living with HIV/AIDS have access to comprehensive care, especially with the current decreasing foreign funding.

To ensure the production of qualified HRH, the government should reverse the recent trend by committing sufficient resources that are necessary to achieve the established targets.

In response to the donor's withdrawal from financing essential medicines, the government should revise the insufficiently formulated and poorly executed exemption policy and provide adequate funding for those who are eligible to be exempted.

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Annexes

Annex 1: Detailed MOHSW Development Budget

Figure 8: Detailed MOHSW Development Budget 2013/14 – 2015/16

Description	FY 2013/14			FY 2014/15			FY 2015/16		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
POLICY AND PLANINNG									
Health Plans and management	250	523.0	773.0	2,000	501.9	2,501.9		4,353.7	4,353.7
Health sector Programme Support		40,368.8	40,368.8		47,013.8	47,013.8	600	28,687.4	29,287.4
CURATIVE SERVICES									
Support to Maternal Mortality reduction				9,091.4	2,425.2	11,516.6	5,493		5,493
Strengthen of Referral Hospitals	400	31,986.9	32,386.9	15,748.5	10,800	26,548.5	4,000	2,659.7	6,659.7
Ocean Road Cancer Institute				3,000		3,000	14,900		14,900
Mbeya Referral Hospital							8,000		8,000
Mtwara Referral Hospital							3,000		3,000
Kibongoto Infectious Disease Hospital							831		831
Mirembe Mental health Hospital							124		124
Muhimbili National Hospital	4,000		4,000	9,200		9,200	11,000		11,000
Muhimbili Orthopaedic Institute				6,800		6,800	14,300		14,300
PREVENTIVE SERVICES									
National institute for medical Research	412.5		412.5	150		150	800		800
Control of communicable Diseases		75,552.2	75,552.2		58,157.4	58,157.4		85,985.4	85,985.4
HIV/AIDS Control Program		215,458.5	215,458.5	3,000	131,896.0	134,896.0	3,000	226,941.7	229,941.7
Chief Government chemist				200		200			
TFDA				400		400			
Support to TB and leprosy Programme		9,279.8	9,279.8					24,942.7	24,942.7
SOCIAL WELFARE									
Support to Social Welfare Services	40		40	1,712	934.9	2,646.9	2,130.8	899.9	3,030.7
HUMAN RESEOURCE DEVELOPMENT									
Human Resource Development	900		900	2,698		2,698	1,821.2	147.7	1,968.9
TOTAL	6,002.5	373,169.3	379,171.8	54,000	251,729.4	305,729.4	70,000	374,618.4	444,618.4
Percentage of the total for the given FY	1.6%	98.4%		17.7%	82.3%		15.7%	84.3%	

Source: MoFEA (2015c):

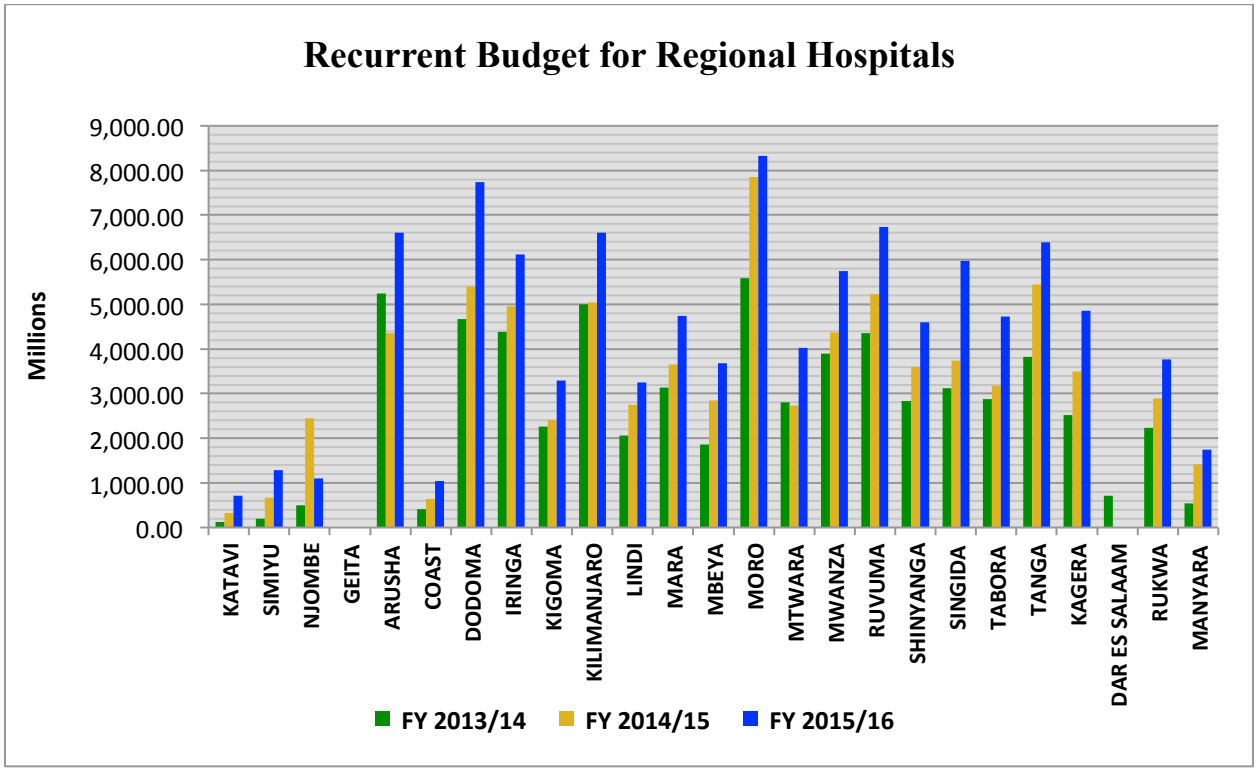
From the table A1 above, the preventive services department received the largest share of foreign funds in all three financial years and it accounts for the reduced development funding in the FY 2014/15 which was cut from TZS 300 billion in 2013/14 to TZS 190 billion in 2014/15; in the FY 2015/16, it returned to TZS 337 billion.

The reduction of foreign funding affected the NACP more than other recipients. Foreign funds for development were reduced by more than TZS 100 billion from TZS 373 billion in 2013/14 to TZS 251 billion in 2014/15 and then they returned to almost same amount (TZS 375 billion) in the current budget 2015/16.

The Curative Services, Social Welfare and Human Resources Development departments depend mainly on the local funding for their development activities.

Annex 2: Budget Allocation for Regional Hospitals

Figure 9: Budget Allocation for Regional Hospital across Various Regions in Tanzania



Source: MoFEA (2015b)

Figure A2 shows that the Morogoro region received the highest allocation of TZS 8.3 billion and Katavi region had the lowest amount of TZS 713 million. Dar es salaam and Geita regions did not receive any allocation for this financial year (in Dar es Salaam there are three Municipal hospitals with a Regional Referral Hospital; the reasons for Geita are yet to be made clear). The regions of Arusha, Dodoma, Iringa, Kilimanjaro, Morogoro, Mwanza, Ruvuma, Singida and Tanga have allocations exceeding TZS 5 billion. This may be explained by the attractiveness of these regions to health care workers compared to the other regions. With exception of Njombe, Arusha, and Mtwara, other regions show a progressive increase of budget allocations over the past three consecutive years.