

Budget Execution Performance on Allocations Made to Medicines in FY 2016/17

HP+ Tanzania



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✦ Aims to improve the **enabling environment** for **equitable** and **sustainable** health services, supplies, and delivery systems through policy design, implementation, and financing.

✦ Focus areas:

- Achieving sustainable financing
- Strengthening the HIV response for children, adolescents, and young adults
- Measuring and addressing stigma and discrimination in health facilities
- Mobile technology and citizen engagement

Sustainable Financing Activities

- ✦ Domestic resource mobilization
- ✦ Evidence generation, including analyzing
 - Impact of proposed reforms on implementation and enforcement of exemptions and waivers for maternal and neonatal health services
 - Benefits and cost for the poor of scaling up the improved Community Health Fund (iCHF)
 - Feasibility of including HIV services in national health insurance benefits packages by estimating and forecasting associated resource needs
 - Cost escalation and reimbursement processes at the National Health Insurance Fund (NHIF)
 - Cost efficiency and clinical benefits of differentiated service delivery models for antiretroviral therapy (ART) and community level support interventions

Critical GOI budget commitments for health commodities in FY 2016/17

TZS 252 billion

for the purchase and delivery of essential medicines and commodities

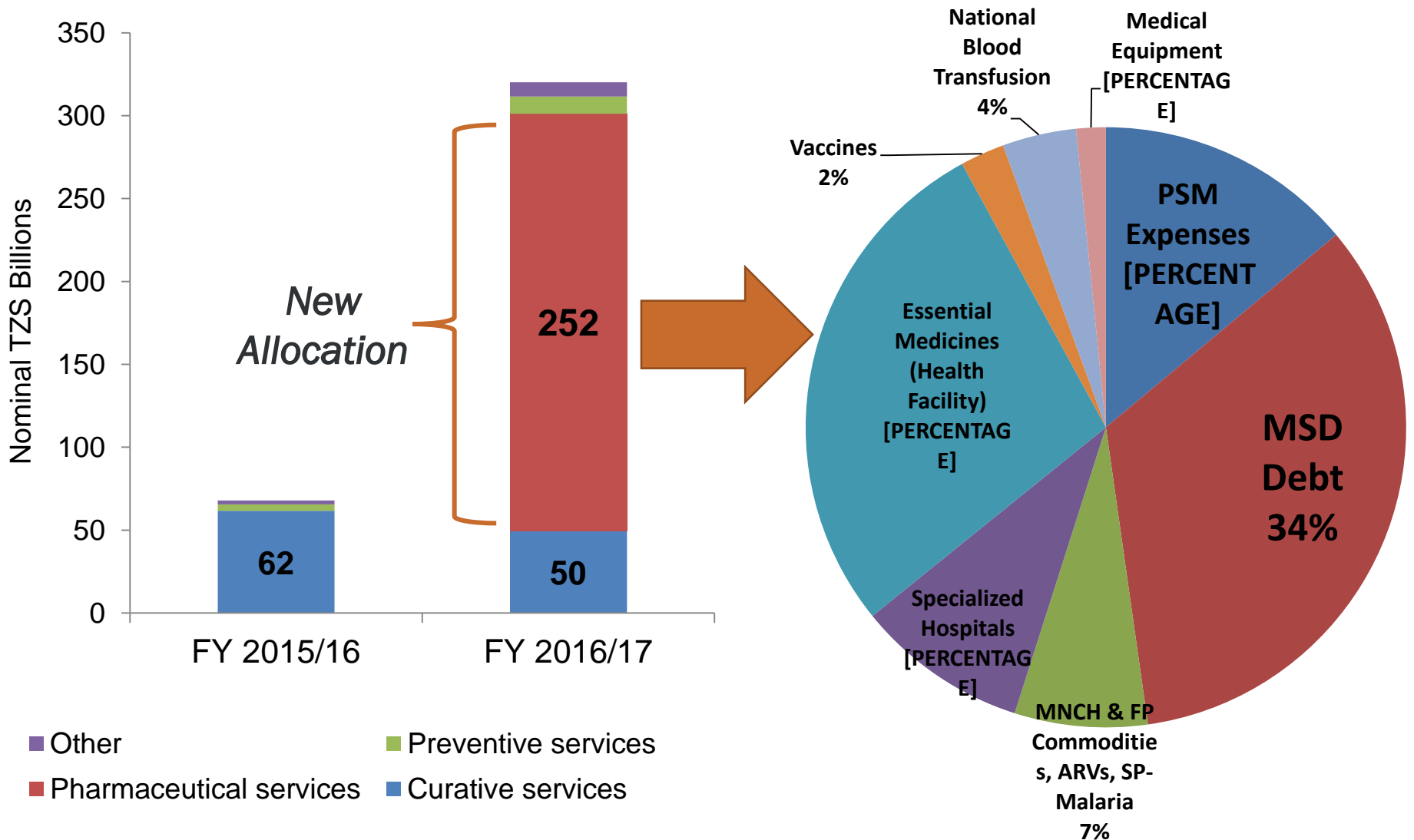
TZS 10 billion for procurement of ARVs (first time ever)

TZS 85 billion for MSD debt repayment

TZS 35 billion for ongoing PSM expenses

TZS 70 billion for medicine at health facilities

Budget allocation for Pharmaceutical services for FY 2016/17



Disbursement to MSD is efficient once funds are available at the national treasury

MOHCDGEC creates an annual action plan and timetable for expected cash flows from the national treasury

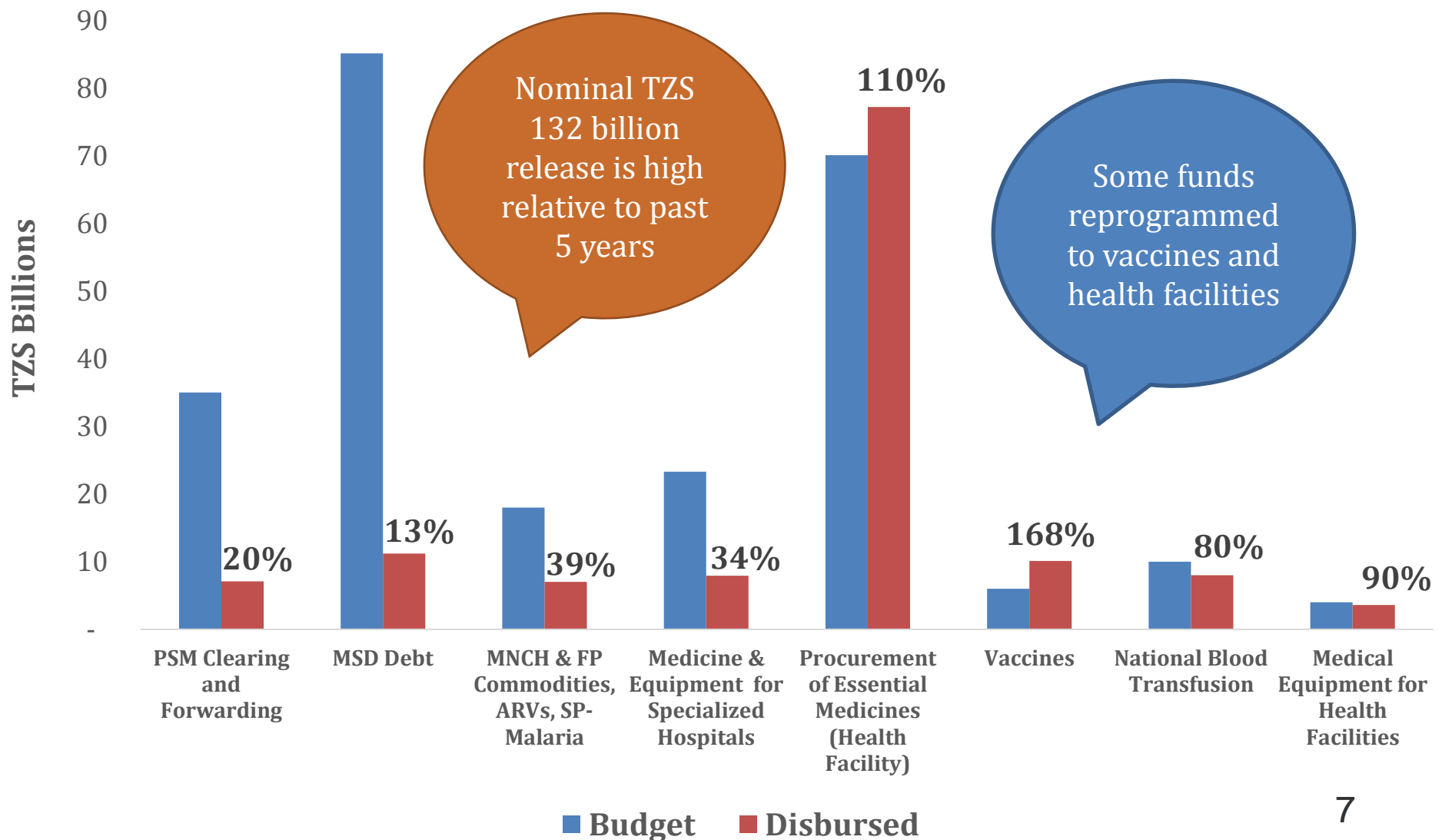
MOFP notifies MOHCDGEC when funds are available at the treasury that are linked to activities in the MOHCDGEC action plan

MOHCDGEC officially requests funds to be transferred in writing

Funds are disbursed from the treasury and transferred to MOHCDGEDC within 6-10 hours after the request is made

MOHCDGEC immediately transfers funds to MSD

53% budget release rate in FY 2016/17 for Pharmaceuticals budget line



Root Causes for Poor Budget Execution on Health Allocations

1 Inadequate resources to finance the total planned GOT budget

2 MOHCDGEC budget release is low (57%) relative to other national priorities (overall GOT rate for FY 2015/16 was 90%)

3 Health budgets planned do not match what is currently being collected and disbursed

4 Improved quantification of health commodities and PSM expenses is needed to improve budget forecasting

5 No disbursements for the purchase of ARVS because financing from external grants covered resource needs for FY 2016/17

Recommendations

- ✦ More uniform and streamlined process for quantification of health commodities to improve quality of forecasts
- ✦ Assess alternative method for PSM expense estimation that may be more accurate
- ✦ Improving budget advocacy approaches that will resonate more with MOFP and raise health in the priority setting process: ***see HP+ policy note “Beyond Abuja”***
- ✦ Ensuring sufficient investment in the supply chain system: MSD debt is estimated at **TZS 156 billion** (July 2017)

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Health Policy Plus (HP+) is a five-year cooperative agreement funded by the U.S. Agency for International Development under Agreement No. AID-OAA-A-15-00051, beginning August 28, 2015. The project's HIV-related activities are supported by the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). HP+ is implemented by Palladium, in collaboration with Avenir Health, Futures Group Global Outreach, Plan International USA, Population Reference Bureau, RTI International, the White Ribbon Alliance for Safe Motherhood (WRA), and ThinkWell.

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