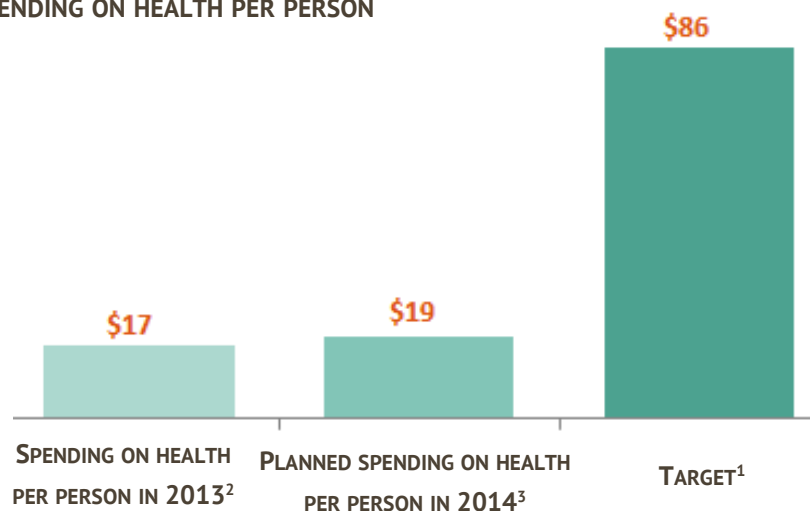


## GOVERNMENT SPENDS LESS THAN 22% OF WHAT IS NEEDED ON EACH PERSON'S HEALTH

Governments need to spend **at least US\$86** per person in order to provide basic health services.<sup>1</sup> In 2013, the Government of Tanzania only spent **US\$17** on each person's health.<sup>2</sup> Though the 2014 budget increased this to **US\$19**,<sup>3</sup> health spending is still far from what is needed to provide basic universal healthcare.

### SPENDING ON HEALTH PER PERSON



## INADEQUATE SPENDING ON MATERNAL, NEWBORN AND CHILD HEALTH

For the financial year 2013-2014, the Ministry of Finance reported that **US\$13.2million** would be spent to improve maternal, newborn and child health (MNCH) care. This represents a **31% decrease** in funds allocated to MNCH compared to the previous fiscal year.<sup>4</sup>

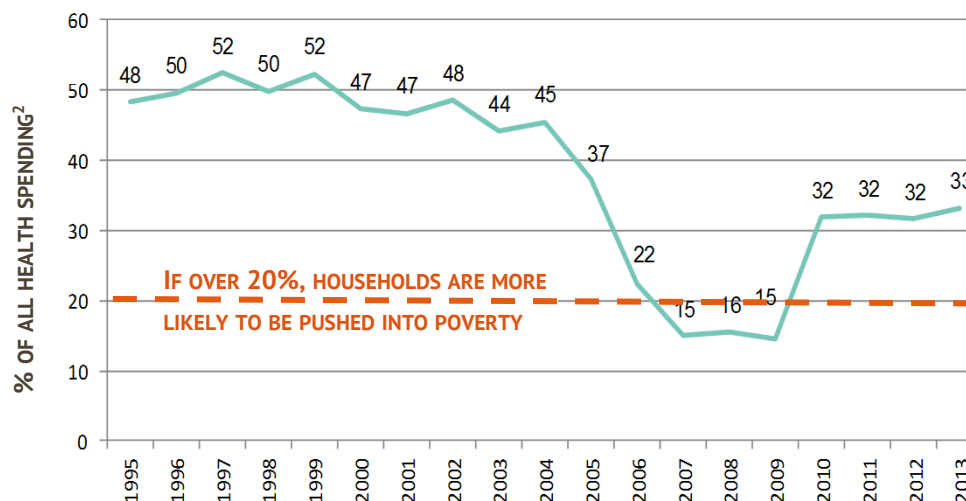
## HOUSEHOLDS BEAR HEAVIEST HEALTH SPENDING BURDEN

Because the government spends so little, the burden of paying for health falls heavily on households.

In Tanzania in 2013<sup>2</sup>, **33%** of all health spending in the country was paid by households up-front, without insurance. This figure has stalled at this level since 2010.<sup>2</sup>

As 33% is over the recommended top limit of **20%**, the poorest are likely to be excluded from care or pushed further into poverty by unsustainable payments.

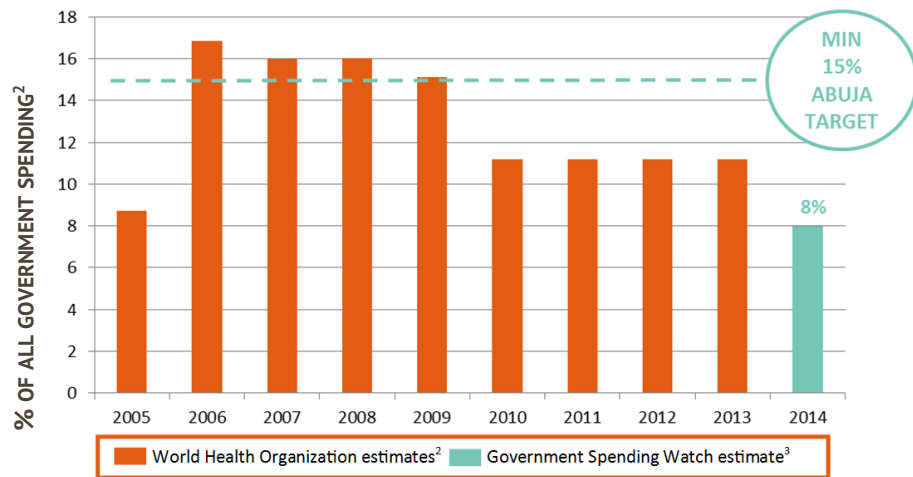
### SHARE SPENT DIRECTLY BY HOUSEHOLDS (OUT-OF-POCKET)



## PROGRESS HAS STALLED ON THE ABUJA PROMISE

The Government of Tanzania has signed up to the Abuja Declaration, committing to spend **at least 15%** of its government budget on health.<sup>5</sup> Between 2006 and 2009, this target was met. However, since 2010, progress has stalled with only around **11%**<sup>2</sup> of government spending going to health. This is set to fall further given the 2014 budget allocations which planned to dedicate only **8%**<sup>3</sup> of total government spending to health.

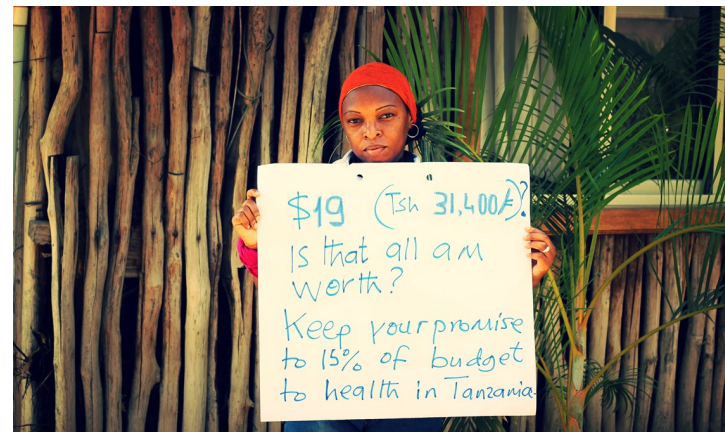
### GOVERNMENT SPENDING ON HEALTH



## COULD TANZANIA DO MORE?

Governments can and should spend **at least 5%** of their country's Gross Domestic Product (GDP) on health.<sup>1</sup> However in 2013, the Government only spent **2.6%** of Tanzania's GDP on health,<sup>2</sup> and this figure was due to drop to **2.5%** in the planned expenditure for 2014.<sup>3</sup> Using the GDP measure is important as it shows where governments can do more relative to their country's wealth.

Part of the reason for Tanzania's low performance is that its total government revenue is only **15.8%** of GDP.<sup>6</sup> This compares to a minimum target of **20%** which will be recommended at the International Conference for Financing in Development in Addis Ababa in July 2015.<sup>7</sup> Currently, Tanzania is one of only **32** countries in the world with total government revenue below 20% of GDP.<sup>6</sup>



## THE IMPORTANCE OF TAX REVENUE FOR HEALTH

It has been estimated that if taxes were increased to full capacity in Tanzania, the government would be able to spend a further **US\$3** per person on health,<sup>8</sup> increasing per person spending from **US\$19 to US\$22**. This demonstrates the importance of advocacy for stronger tax systems.

### REFERENCES

- Chatham House. (2014). *Shared responsibilities for health: a coherent global framework for health financing*. Chatham House: London.
- World Health Organization. (2015). *Health Expenditure Indicators*. WHO: Geneva. Retrieved June 19, 2015, from <http://apps.who.int/nha/database/Select/Indicators/en> (Note: General government expenditure on health indicator retrieved in Shillings but expressed in USD at 2012 conversion rates to match target)
- Government Spending Watch. (2015). *2014 planned spending by the Government of Tanzania*. GSW: London. From <http://www.governmentspendingwatch.org/spending-data> (Note: General government expenditure on health indicator retrieved in Shillings but expressed in USD at 2012 conversion rates to match target)
- McGill, D., Perales, N. & Dutta, A. (2015). *Prognosis for Maternal, Newborn and Child Health in Tanzania. Plans for Interventions in the Short, Medium, and Long Term*. Health Policy Project, Futures Group: Washington D.C.
- World Health Organization. (2011). *The Abuja Declaration: Ten Years On*. WHO: Geneva.
- International Monetary Fund. (2015). *World Economic Outlook database indicators for Tanzania*. IMF: Washington, D.C. Retrieved June 28, 2015, from <https://www.imf.org/external/pubs/ft/weo/2015/01/weodata/index.aspx>
- United Nations. (2015). *Zero Draft of the Outcome Document of the Third Financing for Development Conference in Addis Ababa*. UN: Geneva. Retrieved June 25, 2015, from <http://www.un.org/esa/ffd/wp-content/uploads/2015/03/1ds-zero-draft-outcome.pdf>
- Africa Health Budget Network. (2015). *How much more could African countries spend on health if tax was increased to full capacity?* AHBN: London. (Note: analysis conducted on pooled figures from the Overseas Development Institute and World Health Organization)