

Factsheet on Health Financing in Tanzania 2013

Governments across Africa have invested in health and seen significant improvements in health outcomes. However more investment is urgently needed in order to improve maternal and newborn survival, as well as the health of the population as a whole.

It is important that the government is responsible for the largest share of spending on health, rather than individuals, otherwise the poor may be denied access to healthcare and others may be pushed into poverty through expenditure on health.



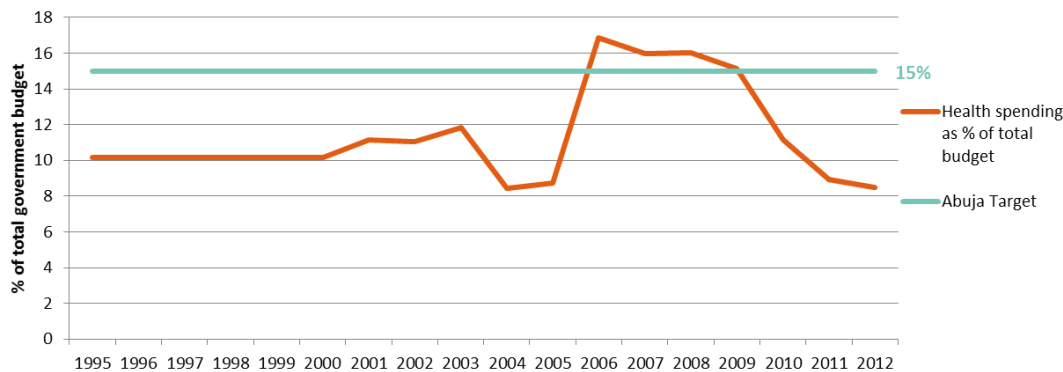
Abuja Declaration

Tanzania's Government signed the Abuja Declaration in 2001, which commits them to spending **15%** of the total government budget on health.¹

WHO data shows that Tanzania has seen a steep decrease in health spending from **17%** of total budget in 2006 to only **11%** in 2011.

Furthermore, Government of Tanzania data shows that only **9%** of the budget was allocated to health in 2011/12 and **8.5%** in 2012/13. This change occurred under the same President: H.E Jakaya Mrisho Kikwete.²

**Government Spending on Health
% of Total Budget**

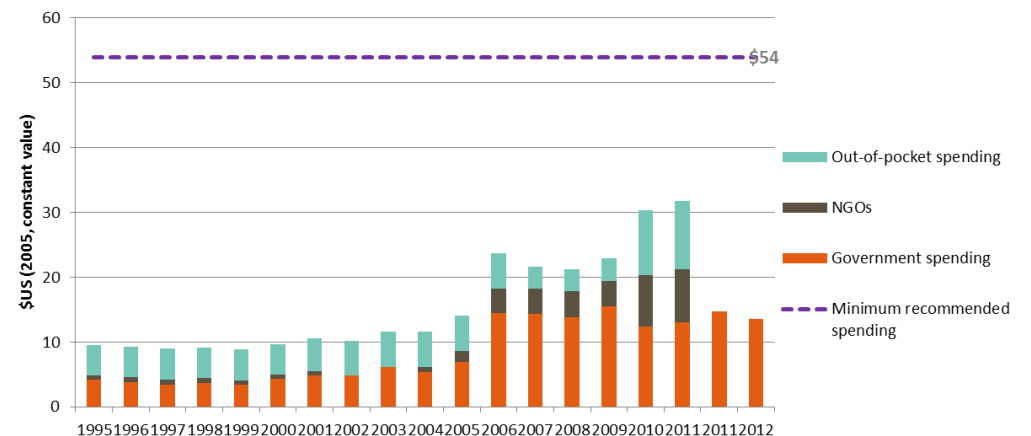


Health spending per person in Tanzania

In 2012, the Government of Tanzania allocated **Tshs 26,972** per person for health.³ The WHO recommends that total health spending, including both government and private spending, should amount to a minimum of **\$54** per person (this amount is expressed in 2005 dollars).⁴

If we convert Tanzania's 2012 spending to 2005 US dollars, government spending on health only comes to about **\$14** per person. Although we do not have data on private health spending for 2013, its share in 2011 was 58%, which would imply that private health spending is **\$19** per person in 2013. The amount of total health spending, **\$33**, therefore falls way short of the \$54 recommendation.

Total health spending per person



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Spending more, and spending more effectively, on health services for mothers and babies, has a positive impact on other parts of the economy. According to a recent study by the Partnership for Maternal, Newborn and Child Health:⁵

“For every dollar spent on key interventions for reproductive, maternal, newborn and child health, about US\$20 in benefits could be generated through producing healthy children who enjoy better cognitive development, achieve more at school and become healthy, productive adults.”

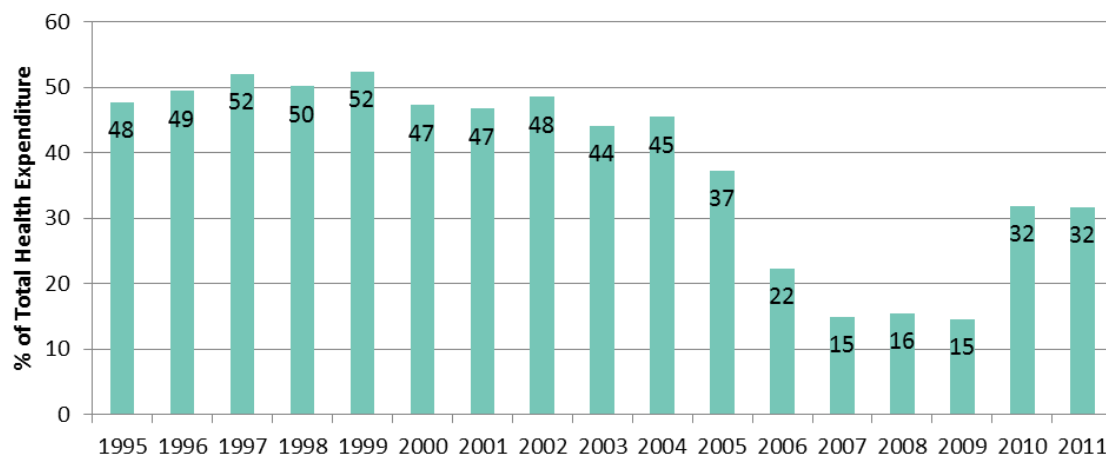


Out-of-pocket funding

Out-of-pocket spending (without insurance) has more than doubled from an estimated **Tshs. 3919** in 2009 to an estimated **Tshs. 11822** in 2011.

A study by Mtei et al (2012)⁶ found that lower-level public facilities were more likely to have stock-outs of drugs and supplies which would then have to be funded by patients. Furthermore, the poorest groups do not have insurance cover for expensive hospitals, and therefore have to pay out of pocket for these costly services.

Out-of-pocket spending as share of total health spending



Explaining the numbers

- Ⓒ All numbers provided, unless otherwise specified, are from the Global Health Expenditure Database (WHO): <http://apps.who.int/nha/database/DataExplorerRegime.aspx>
- Ⓒ The WHO numbers are internationally comparable, but may not be the most accurate figure available for Tanzania
- Ⓒ Government spending on health can include donor funds

References

1. Organisation of African Unity. (2001). *Abuja declaration on HIV/AIDS, tuberculosis and other related infectious diseases*. Abuja: OAU/SPS/ABUJA/3.
2. Ministry of Finance [Tanzania]. (2013). *Government budget for financial year 2012/2013: Citizen's budget edition*. Dar es Salaam: MoF.
3. Ministry of Finance [Tanzania]. (2013). *Budget background and medium term framework 2012/13-2014/15*. Dar es Salaam: MoF.
4. Taskforce on Innovative International Financing for Health Systems. (2010). *Constraints to scaling up and costs: working group 1 report*. Geneva: WHO.
5. Partnership for Maternal, Newborn and Child Health. (2013). *Knowledge Summary #24: The economic benefits of investing in women's and children's health*. Geneva: PMNCH.
6. Mtei, G., Makawia, S., Ally, M., Kuwawenaruwa, A., Meheus, F. & Borghi, J. (2012). Who pays and who benefits from health care? An assessment of equity in health care financing and benefit distribution in Tanzania. *Health Policy and Planning*, 27(suppl 1), i23-i34.