UNITED REPUBLIC OF TANZANIA

MINISTRY OF FINANCE

IMPROVING PUBLIC FINANCING FOR NUTRITION SECTOR IN TANZANIA

Policy Brief

APRIL 2014

1 Introduction and background

Malnutrition in Tanzania remains a significant development issue, notably a public health problem, affecting mostly women of reproductive age and children below 5 years of age. The sustained high levels of chronic under nutrition in Tanzania result in millions of children under the age of five who succumb needlessly to infectious diseases every year, and who also suffer from cognitive impairments that make them less likely to succeed in school. As adults, their work productivity is limited by poor educational achievement and stunting (42% Tanzanian children are stunted), often combined with poor diet and anaemia that makes them tired and weak. Adequate nutrition is therefore a prerequisite for human development and socioeconomic well-being. Improving nutrition will strengthen education and the economy. Scaling up nutrition interventions in Tanzania could have a very positive impact on health, education, work productivity and overall economic growth and development. That's why, in July 2012, the High Level Steering Committee on Nutrition (HLSCN) was established to guide national efforts in scaling up nutrition in the country. All Councils have been required to establish steering committees in their areas. In September 2011, the Prime Minister launched the National Nutrition Strategy (2011-16), and the following year the NNS Implementation Plan (NNS-IP) was developed. Following this, a budget line for nutrition has been established starting 2012/13. Furthermore, budget guidelines have been developed to help ministries and local government authorities (Councils) to improve budgeting for nutrition.

Several initiatives have been taken by the Government to improve nutrition of its citizens over the years, including: (1) the creation of the Tanzania Food and Nutrition Centre (TFNC) in 1973, (2) enactment of a national food and nutrition policy in 1992, (3) anchoring nutrition in the National Strategy for Growth and Poverty Reduction (MKUKUTAII) and in the Health Sector Strategic Plan III, (4) launch of the National Nutrition Strategy, (5) nutrition included as a separate investment priority in the Tanzania Agriculture and Food Security Investment Plan (TAFSIP), (6) establishing a high level steering committee on nutrition under the leadership of the Prime Minister's Office (PMO), (7) establishing Multi-sectoral committees at council level and (8) Nutrition Officers are being recruited at regional and district levels.

The Government of Tanzania, with the technical and financial support of UNICEF, Irish Aid and the World Bank, has led the execution of the first ever Public Expenditure Review (PER) for Nutrition to address the lack of data on the amount and type of funds allocated and spent on nutrition in Tanzania. This nutrition PER is the first of its own in Sub-Saharan Africa. This policy brief therefore intends to highlight some of the salient challenges in the sector and what is needed to address the challenges.

2 What does the nutrition PER reveal?

Nutrition funding is inadequate: Total nutrition investment at the national level excluding the resources allocated to the Councils amounted to TZS 78.6 billion (USD 51.4 million) over a three years period. The nutrition sector annual budget allocations compared to the national GDP is not more than 0.06%. Also in comparison with the Government total expenditure budget, nutrition allocations are not more than 0.22%. Resource allocation in nutrition interventions against the NNS-IP estimates was 23.1% and 22.9% respectively for 2011/12 and 2012/13. This low level of funding to the sector consequently derails implementation objectives promulgated in the NNS – IP.

There are no earmarked fund for nutrition in the Councils: Currently, Councils do not have earmarked fund for implementing nutrition interventions in their areas. The 15 Councils visited during the PER have not prepared neither nutrition strategic plans nor conducted nutrition surveys to inform planning and budgeting. **There is therefore lack of**

proper planning in nutrition in the Councils. Nutrition interventions when incorporated in MTEFs, are on ad hoc basis and there are few selective interventions by sectors. Based on the PER findings, nutrition resources allocation per Council averages only **TZS 59.2 million** (USD 37,000) per annum.

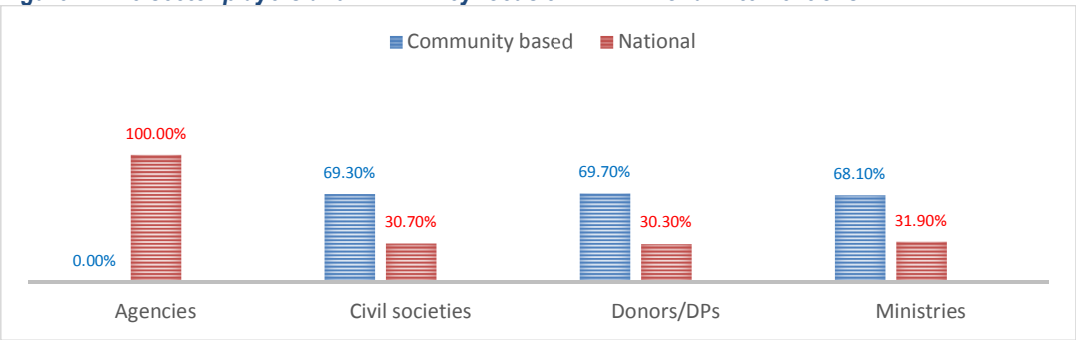
Lack of clear point of accountability leading to fragmented interventions with low impact: Malnutrition is caused by multiple factors and requires solutions that involve many sectors, including health, food and agriculture, industry, water supply and sanitation, education, community development and others. It has been found that coordination in the sector is generally weak at national level and almost non-existent at lower levels. In absence of adequate coordination, actors tend to define their own nutrition intervention packages and programs sometimes without any consideration of demand and needs or not even adhering to the NNS.

Institutions and Human Resources need improvement: Capacity for nutrition sector implementation is low in terms of both human resources and institutions involved. This includes low number and motivation of nutrition officers at Councils, and weak national nutrition institutions in terms of systems and resources; i.e. not all Councils have appointed District Nutrition Officers (DNUOs), while those appointed do not have clear job descriptions. Similarly, the Nutrition Section at the MoHSW lacks resources to effectively function as a coordination unit in the sector. Furthermore, TFNC who assumes the role of coordinating multisectoral nutrition response lacks mandate and resources to provide strategic leadership to all the sectors.

Interventions are not aligned to nutrition strategies in NNS: Although the NNS prioritizes interventions targeting children under five and women of reproductive age, the major focus of the NNS should be on women of reproductive age and infants aged under two. It is scientifically recognised that malnutrition most serious and lasting damage occurs during pregnancy and the first two years of life. Nevertheless, at national level, the resources that are allocated for children under two and pregnant women did not exceed 0.3% compared to 24.1% allocated for under five. The total budget allocation for community based interventions was 48.9%, while national wide interventions were 51.1%.

Noticeably, there is significant non-alignment of resources allocation with national strategies based on the data from the first two years of implementation of NNS. While national resources allocation favoured nutrition surveillance (27.1%) and vitamin and mineral deficiencies (26.9%), at subnational level, allocations favoured household food security (42.2%) and vitamin and mineral deficiencies (18.6%). However, it has been observed that at national level significant resources are allocated into interventions which are not classified into either of the eight nutritional priorities.

Figure 1: The sector players and where they focus their nutritional interventions



The PER has also revealed as to who really benefits from the ongoing sector interventions. At the national level, where TZS 78.6 billion is spent, the target beneficiaries are the nutritional institutions in terms of administration, programs management and capacity building (27.4%), followed by children under five (24.1%), service providers (21.3%) and communities (12.1%). The analysis showed that most critical groups including

children under two, pregnant women, women of child bearing age and children of school age were marginalised on resources allocation. At sub-national level, more resources are allocated to communities (45.5%), institutions (10.6%) and multiple groups (18.1%). Similar to national level resources allocation, marginalised groups at subnational levels were children under two, pregnant women, women of birth bearing age and children of school age.

Furthermore, of the funds allocated at national level, 44% is allocated for technical capacity in in technical institutions, notably TFNC**.** In addition, resources are allocated as follows: equipment and supplies 21.7%, service provision 18.5%, and monitoring and evaluation 9.3%. The least allocated components at national level are advocacy and behavioural change communication (4.1%), and sector coordination (2.2%). At sub-national level, resources are allocated mostly to nutrition service provisioning (55.8%), equipment and supplies (24.6%) and technical capacity (12.5%). The least allocated components at sub-national level were advocacy (0.2%) and sector coordination (0.2%).

3 Who is funding nutrition?

The aggregate budget allocation for the three years were funded 77.7% by the DPs (Donors) and 22.3% GoT. Donors funded mostly Vitamins and Mineral Deficiencies, Nutrition surveillance, survey and information management (33%) and maternal and child nutrition (15.1%).

Table 1: Proportions of funding sources by national priorities

	DPs	Government
Child, Women and Households in Difficult Circumstances	0.2%	21.2%
Diet-Related Non-Communicable Diseases	0.1%	0.1%
Household Food Security	3.2%	12.0%
Infant and Young Child Feeding	0.7%	0.1%
Maternal and Child Malnutrition	15.1%	0.0%
Non-prioritised Intervention	10.3%	57.6%
Nutrition and HIV/AIDS	2.8%	2.3%
Nutrition Surveillance, Surveys and Information Management	33.0%	6.5%
Vitamin and Mineral Deficiencies	34.5%	0.2%
Grand Total	**100.0%**	**100.0%**

The donors also funded non-prioritised interventions to the tune of 10.3%. The GoT funded significant resources (57.6%) into nutrition interventions that could not be classified under any of the national priorities, described as non-prioritised intervention compared to 10.3% by the donors. In addition, the GoT funded mostly children, women and household in difficulties (21.2%) and household food security (12%).

The Councils received funds through a number of channels from the Government, Development Partners and also generated finance from their own local sources. Generally, the own local sources accounted for a small proportion of the total funds available. Most of the funds used to budget for nutrition interventions in the Councils were from basket funds (62.9%), followed by block grants (28.8%). Among the basket funds used for nutrition interventions are Health Sector Basket Fund and Agriculture Sector Development Fund. Councils' own sources of fund which is allocated for the nutrition interventions was not more than 1.5% of the total resources.

The top five donors in nutrition sector are USAID (23%), ONE UN FUND (9%), Harvard School of Public Health (8%), UNICEF (6%) and Irish Aid (5%). However, it is important to highlight that the analysis was based on

linking each activity with a unique donor and not decomposing resources channelled through basket funds or transferred to the ultimate donor[1].

4 What should be done in the financing of the sector?

1) **Establish Ring-fenced Nutrition Fund**: Government should create financial mechanisms to protect (earmark) nutrition funding, by allocating required resources to implement NNS through available sources of fund. The NNS implementation plan identified interventions which are to be implemented by various stakeholders, which should be featured in MTEFs on an annual basis. The following recommendation are relevant:

   - ✓ **Make nutrition part of Health Basket Fund**: The Government should discuss with Health Sector Basket Fund (HBF) partners and agree to invite nutrition sector donors into the (HBF) under the Ministry of Health and Social Affairs.
   - ✓ **Formula Allocation:** The Government and Development Partners in nutrition sector should develop a formula for fund allocation in nutrition interventions. The interventions can be blocked into major specific and high impact interventions that LGAs can implement. The MoHSW in collaboration with MoF and PMO-RALG can oversee funds allocation on an annual basis according to the agreed formula. Key nutrition indicators and sectors' needs can be used in the formula to allocate resources. The allocation formula will target funds to LGAs
   - ✓ **Government should increase its funding of nutrition:** as a first step, the Government should include key nutrition interventions as protected items in the budget guideline and set a minimum amount of shillings that it would invest in nutrition sector, in line with NNS. The Government should also ensure that nutrition interventions are included in Councils annual budgets
   - ✓ **Resource Mobilisation Strategy**: The Government should prepare a resource mobilisation strategy to fund the sector. To start with, the Government should target at initiatives that seeks to encourage donors to fund NNS Implementation Plan with a goal to mobilise at least 80% of the needed resources by 2016.

2) **Develop medium-term and long-term capacity building programs for nutrition officers and institutions**: Going by D-by-D, it is important to ensure that Councils have the capacity to deliver nutrition services in their respective areas. PMO-RALG should give high priority to facilitate recruitment of the District Nutrition Officers (DNUOs) in the remaining LGAs and ensure that all the deployed officers are empowered to effectively deliver their services. Another area for capacity building include strengthening TFNC with planning, financial management system, as well as in monitoring and evaluation so that the institution becomes an effective national centre for nutrition research and capacity building

3) **Enhance coordination and partnership:** Generally, the nutrition sector PER 2013 found out that despite a number of interventions and frameworks on coordination and partnership, implementation is still fragmented and resource allocation are neither properly directed towards real problem areas and groups. This calls for the need to clarify roles of the various institutions in the sector in order to strengthen existing mechanisms for coordination at the national and subnational levels. In particular, the MoHSW nutrition unit should be strengthened to enable it play effectively its coordination roles.

4) **Establish monitoring mechanisms in nutrition sector:** Establish nutrition tracking system to ensure that sector interventions are monitored on an annual basis. In addition, conduct sector PERs after every two years to inform progress in the nutrition sector.

[1]For example, the program "Rural Food Fortification Program" was implemented by the Ministry of Health and Social Welfare and other agencies, was funded by the Japanese Social Development Fund (JSDF) through World Bank (IDA Grant), hence it was classified under the World Bank and not JSDF.