Improving Public Financing for Nutrition in Tanzania

POLICY BRIEF
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Investment case for nutrition

Good nutrition is not just an outcome of development, it is also a driver of economic growth and human capital. A substantive body of research shows that the duration of 1,000 days from conception to a child’s second birthday is the most critical period for intervention, to ensure that a child grows to his or her full potential – both physically and cognitively. If adequate nutrition is not provided during this window of opportunity, the consequences of malnutrition will have a life-long impact on the child’s capacity to learn, to earn as an adult and to contribute to the country’s socio-economic development. Fortunately, these individual consequences and broader economic losses are largely preventable if adequate investments are made in proven nutrition interventions. Estimates suggest that economic returns can be as high as US$16 for every dollar invested, comparable with those from investments in health.1

Mainland Tanzania has made significant strides in the last 25 years in improving nutrition and has recognized that nutrition is key to reaching national development goals. The prevalence of chronic malnutrition (stunting) among children under-5 on the mainland fell from 50 per cent to 34 per cent between 1994 and 2015.2 The Government has also recognized the importance of nutrition to reach the goals of Tanzania Development Vision 2025. The national Five-Year Development Plan 2016–2021 includes a number of key nutrition targets to improve maternal, infant and young child feeding practices and reduce micronutrient deficiencies, and recognizes the paramount role that other sectors shall play in improving the nutritional status of the Tanzanian population.

Approach

Adequate finance, and the proper management of that finance, is a vital component of the national nutrition effort in Tanzania. Accordingly, a Public Expenditure Review (PER) was commissioned to assess public expenditures on nutrition and, as far as possible, to evaluate results against targets in national strategy documents. Amongst other goals, its findings were expected to identify shortcomings in budgetary processes for nutrition and lead to actionable recommendations for targeted improvements in nutrition expenditure. The analysis covered two fiscal years (2014/15–2015/16) and encompassed spending from government’s own sources at the national and local level, as well as on- and off-budget official development assistance (ODA) for nutrition. Private expenditure (from households and firms) was not captured. The PER Nutrition covers four main pillars of analysis: i) a review of the policy and institutional framework for nutrition, ii) the level and composition of expenditure in the nutrition sector, iii) the budget process and performance from a nutrition perspective, and iv) the efficiency and equity of nutrition spending.

1 See Global Nutrition Report (GNR) 2014, which estimated the cost-benefit ratio of scaling up the ten high impact nutrition specific interventions to 90 percent coverage across 40 countries with high levels of stunting. The median ratio was 16:1.
2 Tanzania Demographic and Health Survey and Malaria Indicator Survey – TDHS-MIS, 2015-16.
**Key findings**

**Policy and institutional framework for nutrition**

The Government’s commitment to nutrition is established in various policy documents including the Food and Nutrition Policy (FNP), which is operationalized through the National Multisectoral Nutrition Action Plan (NMNAP) that sets out a coordinated multisectoral approach to nutrition. A multisectoral institutional framework for nutrition was established with the goal of coordinating the complex network of actors within and outside the government and to bring greater accountability for nutrition outcomes. This coordination structure is headed by the multisectoral High Level Steering Committee on Nutrition (HLSCN), placed in the Prime Minister’s Office – which has convening power to coordinate multisectoral activities.

There is also an institutional framework for nutrition at the local level. There are district nutrition officers (DNuOs) in a majority of councils whose role is to coordinate nutrition-related activities and prepare nutrition budgets. Most councils have steering committees on nutrition.

**Level and composition of nutrition spending**

For mainland Tanzania, total nutrition actual expenditures are estimated to be TZS 815 billion in 2014/15 and TZS 861 billion in 2015/16. This represents a 5 per cent increase overall (just less than inflation). However, nutrition expenditure rose at a slower rate than overall government expenditure from 2014/15 to 2015/16 and, as a result, fell slightly as a percentage of the total government expenditure (from 4.6 per cent to 3.8 per cent) and as a percentage of gross domestic product (GDP) (from 1 per cent to 0.9 per cent).

**Total nutrition expenditures moderately increased between 2014/15 and 2015/16 but decreased as a percentage of total government expenditure and GDP.**

**Figure 1: Total nutrition allocations and spending in mainland Tanzania (2014/15-2015/16)**

Actual disbursement of planned budget by central government is the main bottleneck compromising performance in budget execution for nutrition.

Budget execution is a significant constraint to nutrition expenditures for mainland Tanzania where expenditure levels in nutrition-relevant ministries varied from 85 per cent to 89 per cent of the approved budgets in 2014/15, and from 62 per cent to 72 per cent of the approved budgets in 2015/16. Despite a lower performance in 2015/16, nutrition-related budgets performed significantly better than the overall budget execution, suggesting that nutrition spending was possibly protected or prioritized. Furthermore, budget execution rates for nutrition varied widely amongst the 22 LGAs sampled for this PER Nutrition. On the recurrent budget, the lowest execution rate was 5 per cent, and the highest 288 per cent; on the development budget the lowest execution rate was 1 per cent, and the highest was 60 per cent.
Figures from different studies vary, but it is clear that for Tanzania mainland nutrition spending continues to be heavily financed by development partners who are estimated to have funded at least 38 per cent of nutrition-related expenditure in 2014/15 (although the true figure could be higher, given gaps in off-budget reporting). The remaining 62 per cent comes from government’s own source revenues, predominantly from local government budgets. LGAs’ budget should be understood taking into consideration their revenue generating capacities. As per the National Audit Office Report for FY 2016/17, LGAs financed about 11 per cent of their recurrent expenditure from their locally collected revenues. They are mostly financed by the central government.

The PER classified nutrition expenditure according to three different categories, based on global evidence and the National Multisectoral Nutrition Action Plan:

1) Nutrition-specific interventions which target the immediate causes of undernutrition and include promotion of optimal maternal, infant and young child nutrition, prevention and management of micronutrient deficiencies, integrated management of acute malnutrition and prevention and management of diet-related non-communicable diseases.

2) Nutrition-sensitive interventions which address the underlying causes of malnutrition within the health,
3) Interventions to improve the enabling environment for nutrition, especially nutrition governance and information system, addressing some of the basic causes of malnutrition.

More than 95 per cent of allocations and expenditures from the government budget are used for nutrition-sensitive interventions. A much smaller share of reported expenditures (1.9 per cent) goes towards nutrition-specific interventions, and 0.6 per cent is spent on enabling environment. This is consistent with the NMNAP budget, where 2 per cent of the total budget is planned for nutrition-specific interventions, and 0.5 per cent is planned for interventions aimed at improving the enabling environment for nutrition.

Nutrition-sensitive spending at national level is predominantly through the social protection sector (especially the Productive Social Safety Net) at 40%, the health sector (especially funding for medicines, vaccines and family planning) at 30%, and the water and sanitation sector (including development of water supply for urban and rural areas and water quality testing) at 25%. At local level, water and sanitation (including water supply infrastructure) is the dominant area of spending at 65%, nutrition-sensitive education spending is higher than expected at 20% (compared to the NMNAP costing, which expects only 8%) while health is at 8% (where the NMNAP expects 30%).

**Figure 4: Expenditure by broad nutrition categories (2014/15–2015/16)**

![Graph showing expenditure categories](source)

**Source:** PER data set. Data is for both years, combined.

**Notes:** Data is for both years, combined and for all levels of government combined.

For nutrition-specific interventions, in 2014/15 and 2015/16, 65 per cent of expenditure was on promotion of optimal maternal, infant and young child nutrition (MIYCAN), 29 per cent on prevention and management of micronutrient deficiencies (MNDs), 5 per cent on integrated management of acute malnutrition (IMAM) and 0.2 per cent on prevention and management of diet-related non-communicable diseases (NCDs). MIYCAN interventions were predominantly funded by donors (Figure 7).
A smaller amount (0.6 per cent of the total) is spent on the enabling environment for nutrition, mostly in the form of nutrition governance (including plans, policies, coordination and capacity), and nutrition surveillance, surveys and information management.

Expenditure on nutrition-specific interventions moderately increased between 2014/15 and 2015/16 but is still very low at US$0.5 per child per year, which is far from the national and global target of US$8.5 per child per year needed to reach the SDG target of reducing the number of stunted children by 40 per cent.

Transfers from central government are unpredictable both in amount and timing, adversely affecting planning. Some LGAs reported receiving only 30–40 per cent of the operating costs in 2015/16. LGAs report that they spend all funds received – shortfalls in execution arise from short releases. However, from 2017/18 MOFP will transfer funds directly to health facilities, and it is expected to improve health sector nutrition spending.

The budget process and performance from a nutrition perspective

In mainland Tanzania, nutrition budgets are not prioritized at the local level because of resource constraints and not prioritizing nutrition amongst councillors. In this context, the DNuO does not have the position/authority to make the nutrition budget case outside the health budget. As such, nutrition policy goals cannot be pursued effectively. Furthermore, it was found that nutrition steering committees meet irregularly or not at all, and do not focus on nutrition budget review or future budget planning.

Insufficient authority of nutrition officers in their LGAs and RS negatively affects allocations and expenditure for nutrition. Poor performance of the multisectoral steering committees on nutrition hinders effective implementation of interventions.
Efficiency and equity of nutrition spending

The PER shows that efficiency can clearly be enhanced through strengthening the enabling environment for nutrition at the regional and council level, specifically through a more regular and focused review of nutrition results by multisectoral steering committees on nutrition. Currently, nutrition steering committees are not sufficiently active in the coordination, monitoring and review of nutrition interventions, results and expenditure. Regarding equity, it is noted that nutrition spending per child in LGAs does increase broadly with stunting levels. However, the continued significant levels of budget inequity between LGAs, particularly in the area of salaries and staffing, is a key constraint. Furthermore, LGA transfers by the central government are still made in an ad hoc manner without regard to variations in need.

Figure 8: Nutrition expenditure vs stunting prevalence in sampled per LGAs