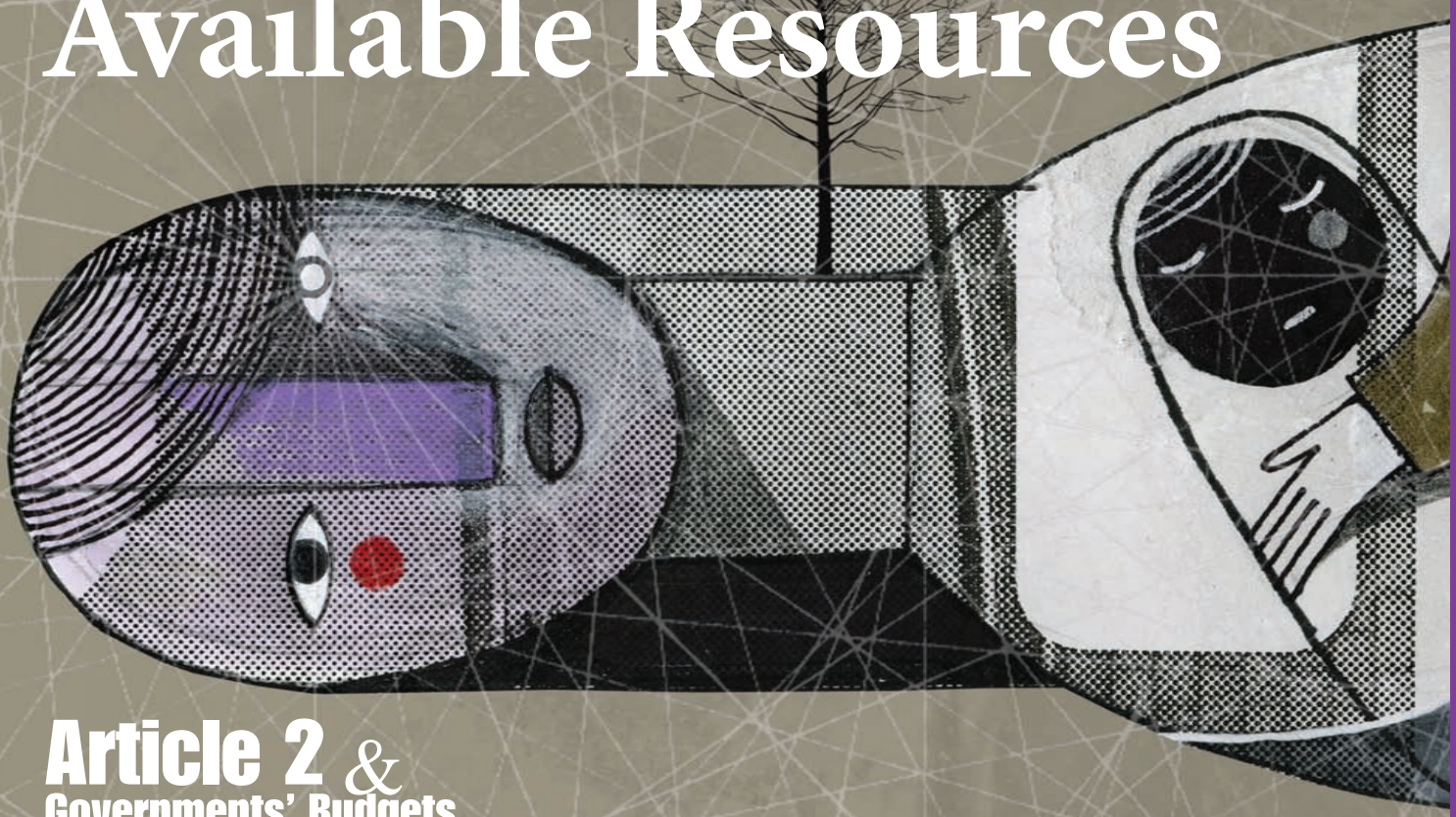
The Use of Maximum Available Resources



Article 2 & Governments' Budgets

Expenditures on non-essential items

The case in brief

Health outcomes are poor in Tanzania and the right to health has not been realized. Overall allocations to health are low, but instead of spending its very limited funds carefully, the Ministry of Health and Social Welfare (MoHSW) wastes substantial resources on non-essential spending. This spending includes travel by MoHSW staff, payment of sitting allowances to them, and the purchase of luxury vehicles.

Civil servants' basic salaries are relatively low in Tanzania. Civil servants are keen to receive additional income from travel expenditures and sitting allowances (per diems paid by government when civil servants attend training workshops or meetings outside the office). It is possible to find numerous examples of these types of expenditures in the MoHSW budget.

The Tanzanian civil society organization (CSO) Sikika, has documented such non-essential expenditures. It has put sustained pressure on the Ministry to use its funds for goods and services that are more likely to ensure for people in Tanzania the availability of good quality health care.

The human rights issue

General Comment 14 of the UN Committee on Economic, Social and Cultural Rights has said that the right to health guarantees in the International Covenant on Economic, Social and Cultural Rights (ICESCR) mean that health services should be:

- Available;
- Accessible;
- Acceptable;
- Of good quality.

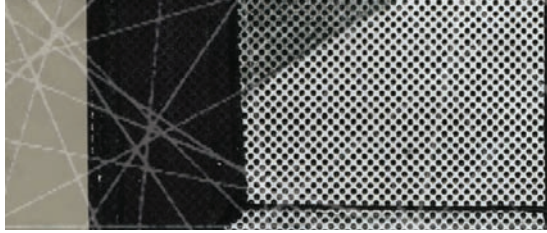
Article 2 of the ICESCR talks about what a government must to do to realize the right to health. This includes *using the maximum of its available resources* to ensure availability, accessibility, acceptability and quality of health services.

The human rights argument

Where a government is spending funds on non-essential goods and services, it is failing to use the maximum of its available resources to realize economic and social rights.

It is not sufficient that a government's allocations appropriately prioritize economic and social rights. It is essential to ask *on what* the funds – whether allocated for health, education, work programs, water, or some other related area – are being spent. Are they being spent on goods and services that are most appropriate for ensuring that people's rights – to health, education, work, water, etc. – are being realized?

Civil society budget groups have found that government budgets in critical areas are too often "heavy" with administrative or non-essential expenses. While administration is essential for the adequate provisioning of services, sometimes such a significant share of resources is going to administration that direct service providers are short of funds. Alternatively, essential administrators may be spending funds on non-essential goods and services.



Case study in detail

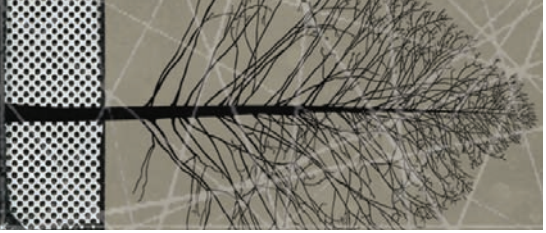
Overview

Sikika examined allocations in the Tanzanian Government's 2008/2009 budget after the latter was tabled in Parliament, and coined the term "unnecessary expenditures" to describe budget lines for such as travel and sitting allowances. For that year, Sikika found that in the health sector alone 22.6 billion Tanzanian shillings (Tshs)(approx. US$ 18.6 million) had been allocated for allowances, Tshs 3.9 billion (US$ 3.2 million) for workshops and training, Tshs 1.6 billion (US$ 1.3 million) for overseas and local travel, and Tsh 6.0 billion (US$4.9 million) for vehicles – for a total of Tshs 34.2 billion (US$ 28.2 million) in "unnecessary expenditures." Sikika argued that this money should be allocated to items that would more effectively improve health care.

When these figures were presented at the Health Sector Review, which is attended by government, donors and CSOs, officials were extremely displeased. However, the issue got the attention of the Prime Minister, who announced the following month that future government spending on workshops and seminars would need to be approved by his office, and that restrictions would be placed on purchases of new vehicles. The Budget Guidelines of February 2009 included a special section that called for spending cuts on training, workshops, travel and vehicles.

Sikika's subsequent analysis showed that in 2009/2010 overall allocations to "unnecessary" categories decreased by 22 percent. However, the decrease was concentrated in training and workshops, while other categories saw increases. In 2010/2011 there was a nominal increase in total unnecessary expenditures.

When items that directly and effectively realize people's rights are not available in sufficient quantity (for example, essential medicines), spending on non-essential items constitutes a failure by government to use the maximum available resources to realize ESC rights. Government must monitor expenditures to ensure that funds in the budget are being used first and foremost for items essential to the realization of ESC rights.



Research and analysis

Here are the simple steps Sikika took to arrive at its findings.

1. In Tanzania the annual Controller and Auditor General (CAG) report identifies a range of questionable expenditures. Guided by findings in earlier CAG reports about questionable expenditures by the MoHSW, Sikika examined the Ministry's budget proposal of 2008-09 and identified some problematic budget lines. Simple line-by-line addition resulted in shocking numbers:

"Unnecessary Expenditures" in MoHSW's budget 2008-09

Item	Amount in TSh
Workshops/training	3,936,743,900
Overseas and local travel	1,649,302,200
Allowances	22,627,302,307
Vehicles	6,001,509,282
Total	**34,214,857,689**

2. In order to examine government-wide "unnecessary expenditures," Sikika developed categories that would be easy to understand and comparable over time. It looked through the whole budget, noting line items of recurrent expenditures that appeared consistently across ministries. It developed six overarching categories of "unnecessary expenditures:"

1. Training (domestic and overseas);
2. Allowances (discretionary, non discretionary, and in-kind);
3. Travel (domestic and overseas);
4. Fuel, oil, and lubricants;
5. Purchase of new vehicles;
6. Hospitality.

Of course, not all such expenditures can automatically be labeled as "unnecessary." Nonetheless, Sikika decided to single out these items, because they knew that in Tanzania allowances, training funds, and related expenditure are often used for political patronage or as perks for underpaid civil servants. Trainings are thus conducted in expensive hotels, and officials are paid allowances to attend them. Vehicles purchased are often luxury vans.

3. Each year when the new budget books are tabled in Parliament, Sikika updates its file on "unnecessary expenditures". This allows it to identify trends among ministries and departments, as well as trends within specific agencies. Comparisons over three years allowed Sikika to document that while overall allocations to the categories decreased by 22 percent from 2008-09 to 2010-11, training carried the brunt of the reduction, with its allocation cut by 80 percent over two fiscal years. Allowances, on the other hand, kept increasing. Reductions were also not uniform across ministries, departments and agencies. For example, Public Debt and General Services reduced its allowances from TSh 4 billion (US$ 2.98 million) to TSh 307 million (US$ 226,000), while the Electoral Commission increased allowances from TSh 389 million (US$ 290,000) to TSh 27.3 billion (US$ 20 million).

Advocacy and outreach

Strategy 1: High-level advocacy

Sikika first presented its analysis to the Health Financing Technical Working Group, which plays an advisory role to the health sector. It did not make a significant impact on that group. The analysis was presented again, some months later, to the annual Health Sector Review, another gathering of government, donors, and CSOs, under the leadership of the Ministry of Health and Social Welfare. Presenting the analysis at that Review paid off, as was already mentioned.

It seems that Sikika's high-level approach—within a space convened by the MoHSW, but in which other key players, such as donors, were also present—was a good strategic choice. The space provided direct

access to Sikika's key target audience (the MoHSW) and enabled them to present their arguments in their own words. As it turned out, the timing proved to be perfect for influencing the subsequent year's Budget Guidelines.

It is important to select the target audiences for an advocacy message carefully; it is also important to think about how to frame the message. Audiences such as the Technical Working Group or participants in the Health Sector Review would have a high level of knowledge about the health sector, policy and financing. As a result, it would likely be feasible and useful to present figures about funds directed to "wasteful expenditures" and how those funds might be better spent. These same audiences should be able to understand technical discussions about law and treaty obligations. It would thus be feasible to point to the government's legal obligations under article 2.

Strategy 2:
Advocacy with indirect decision-makers

Sikika's analysis of "unnecessary expenditures" in the budget proposal for 2009-10 pointed to the fact that the Prime Minister's directives and the Budget Guidelines were being followed only selectively. After targeting these findings to the Ministry of Finance and the MoHSW without positive responses, Sikika decided to direct its advocacy efforts towards Members of Parliament (MPs) serving on the Social Services Committee. By targeting that Committee—key players in the area of government accountability—Sikika hoped to strengthen its role in oversight and budget planning.

Legislators are part of government, and as such, have human rights obligations. Informing legislators and legislative committee members about issues and about their roles in oversight and budget decisions should include information about the government's human rights obligations, the place of the budget in fulfilling those obligations, and what legislators should do to ensure that the government is meeting its human rights obligations.

Strategy 3: Media outreach

After reaching out to Parliament, Sikika decided to engage with the public via a media strategy to publicize its findings broadly and keep the issue alive. Media coverage was universally positive, and unnecessary expenditures have become an unavoidable topic of discussion whenever the budget is tabled. Now, when the government falls short in enforcing its own directives, the organization has been able to use the media to denounce its shortcomings—thereby keeping the issue in the public's eye.

While ICESCR article 2 obligates governments to progressively achieve realization of the right to health (using the maximum of available resources), an increase in expenditures by a Ministry of Health may not, in itself, translate into increased realization of that right. Similarly, a decrease in unnecessary or wasteful expenditures would not, in itself, guarantee that additional funds are being spent in a way that effectively realizes people's right to health. In other words, increases and decreases in funding for essential services are important pieces of evidence as to a government's compliance with its article 2 obligations. More conclusive evidence, however, would have to be derived from trends in statistics related to mortality, morbidity, disease, etc.

Questions you might ask

yourself or your government about expenditures on non-essential goods and services:

What share of the budget is spent on non-essential categories of expenditure? How has the share of such expenditure changed in recent years?

Who has the authority to decide on these expenditures—the specific ministries, departments or agencies (MDAs) making the expenditure, the Ministry of Finance or someone else?

What structures and processes does the government have in place to identify non-essential spending of various types? What regulations limit or regulate such expenses—a Finance Act? Treasury regulations?

Does civil society have a role in the structures and processes that monitor non-essential spending?

Over the past 3-5 years has the government identified instances of non-essential and at times excessive spending? If so, which MDAs were involved? What actions did the government take?

Over the past 3-5 years has the Supreme Audit Institution (SAI) identified instances of non-essential spending? If so, which MDAs were involved? What action did the legislature take on the SAI's report?

Have any civil society groups brought to the government's attention instances of non-essential or wasteful spending? If so, what actions has the government taken in response?

Sikika

Sikika, which means "be heard" in Kiswahili, is a civil society organization (CSO) focused on health advocacy in Tanzania. Founded in 1999, Sikika has been working on budget issues since 2005. The organization's overall vision is a Tanzania where healthy and responsible citizens enjoy equitable, affordable, and quality health services as their basic right. At the local level, Sikika works with health service users, providers, district authorities, and policymakers in four districts. As part of this work, Sikika engages citizens in demanding transparency and accountability in health service provision through participatory monitoring of district health sector planning and performance. At the national level, Sikika works with policymakers in the Ministry of Health and Social Welfare, the Prime Minister's Office and Parliament. Sikika advocates for the provision of timely and accessible information on the health sector as well as participatory planning, implementation, and evaluation of health and HIV/AIDS programs.

For more information on Sikika, go to:

sikika.or.tz

The Article 2 Project

This booklet is part of the *Article 2 & Governments' Budgets* handbook. The handbook has been developed by the Article 2 Project, a working group housed first at the Partnership Initiative of the International Budget Partnership (IBP), and then at the Global Movement for Budget Transparency, Accountability and Participation. The project aims to enhance understanding of the implications of article 2 of the ICESCR for how governments should develop their budgets, raise revenue and undertake expenditures. The project encourages the use by civil society and governments of the legal provisions of article 2 to monitor and analyze governments' budgets. Download the complete handbook at: **www.internationalbudget.org/publications/ESCRArticle2.**

The case study in this booklet is derived from Sikika's publication, *Unnecessary expenditures: A brief on the government's initiative to refocus expenditures*, vol. I (2010), vol. II (2011) and vol. III (2012) and Peter Bofin, "Freeing Funds to Meet Priorities and Needs: Sikika's Campaign to Curb Unnecessary Expenditure in Tanzania", Albert van Zyl (Coord.), *From Analysis to Impact*, Partnership Initiative Case Study Series, IBP, 2012.

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