Decentralizing the Health Sector

Decentralization of the health sector is the transfer of authority from the central level to regional or district health authorities, local government units, individual health care facilities, or even private organizations. This transfer of authority can pertain to planning, management, service delivery, and mobilization and allocation of resources. Decentralization can have the beneficial effect of local-level health authorities using resources to best respond to the needs of their community, and improving accountability and transparency. However, when poorly implemented, decentralization can create confusion about roles and responsibilities, funding shortfalls and delays, breakdown of successful “vertical” programs, and tension between local leaders and central authorities. In this way, it can be a real or perceived threat to health services.

PHR worked with USAID missions to improve the planning and implementation of decentralization so that priority services such as maternal and child health and prevention and treatment of infectious disease can be maintained.

How is the role of the national level restructured under decentralization?

Rather than the traditional Ministry of Health role of direct management and service delivery, the MOH must change its focus to making policies, setting standards, defining lines of accountability, providing technical guidance, allocating resources, formulating and enforcing regulations, and monitoring and evaluating performance. In the Dominican Republic, PHR conducted managerial assessments in four decentralized health directorates, and then conducted training and performance improvement activities to strengthen capacity in health planning, budgeting, and monitoring and evaluation.

What are needs for accountability and transparency?

As responsibilities are transferred, it is essential to clarify lines of accountability and authority. Simultaneous implementation of different types of decentralization can...
result in confusion. Senegal first decentralized its health system and later decentralized government overall, giving district-level local government authority over health (and other sectors). As a result, neither district health authorities nor local government officials knew who was responsible for health for which geographic areas. To address this problem, PHR facilitated meetings between health and administrative authorities where they reached consensus on roles and responsibilities. In Malawi, PHR facilitated the involvement of health districts in design of the MOH’s Fourth National Plan and developed the methodology for District Implementation Plans, trained district staff to use DIPs, and provided follow-up support. In Zambia PHR documented the many roles assumed by district health boards in the absence of clear guidance from the center.

**How can funds be mobilized and allocated to ensure financial sustainability?**

Decentralization is more successful if resources are mobilized from all possible sources and are allocated fairly and rationally. Decentralized units may have access to locally generated revenue and allocations from the center. In Senegal, PHR and USAID helped structure a financing scheme to mobilize local tax revenues to supplement national allocations for health. In Malawi, well-prepared DIPs enabled districts to obtain additional funding from the central ministry. In addition the ministry developed a formula for fair and rational allocation of funds to districts. In Bolivia, an evaluation assisted by PHR found that an insurance program for maternal and child health services, designed by the central ministry and implemented and financed by health districts, was not financially sustainable; PHR facilitated the use of feedback from the districts into the redesign of the plan. In Zambia PHR helped develop guidelines on cost sharing for district health boards that now govern how user fee revenues are collected and allocated, and how local prepayment schemes operate.

### How does monitoring improve the decentralization process?

Monitoring and evaluation of decentralization initiatives allows for timely identification and resolution of problems, and for measurement of impact on equity, efficiency, and quality. In Benin, PHR assisted with an assessment of the reorganization of the health sector that proposed ways to make it more effective in the context of a broad administrative decentralization.

**What approaches encourage coordination among stakeholders?**

Careful attention must be paid to coordination among all stakeholders – ministries, nongovernmental organizations, donors, and others – affected by decentralization. In Honduras, PHR worked with the USAID mission and MOH to formulate government policies to ensure that NGOs continue their role in delivering priority services. In Senegal, PHR assisted the USAID mission with coordination by delivering informational sessions on the decentralization process to stakeholder groups. In Malawi, PHR worked in collaboration with government agencies, CAs, and donors to strengthen district capacity for management, planning and budgeting in ten pilot districts.

Decentralization strategies and interventions must be tailored to the needs of each country. Carefully doing so should improve the manner in which health services are administered and financed, while protecting – or strengthening – the delivery of priority services. ▲