

**Motivation**

Brazil has made significant progress in human development over the last decade thanks to a series of policy innovations, and equity of access has increased considerably. However significant challenges relating to inefficiencies and low quality of services remain. Despite continuous upgrading, existing information systems do not permit accurate identification of how resources are allocated within the context of Brazil's unified health system, nor how expenditures are executed and how services are provided at the health unit level. Information is also lacking regarding how much is spent on hospital and primary care.

**Objectives**

In order to present systematic information about the quality of resource management, a PETS was carried out. The study seeks to survey and describe how public expenditures are allocated for each type of health unit, program or health program; assess the extent to which the resources transferred to states and municipalities are used for the purposes for which they are intended; collect evidence of delays and slippages in budget execution by state and municipal secretariats and service provider units and how these problems affect service delivery; and offer a set of policy recommendations to improve efficiency in resource management and the quality of care in the health system.

**Main findings**

Fragmentation of the planning and budgeting process, inflexibility and complexity in budget execution, lack of managerial autonomy, incentives and capacity, inadequate management information.

**Absenteeism**

While absenteeism is often cited as a major problem, no secretariat kept records of sufficient detail to quantify this problem. One secretariat estimated absenteeism at 2%. In addition, there is no systematic record-keeping of employees who do not fulfill their required hours (e.g., one secretariat estimated this as 1%, while another reported 20%).

**Other findings**

Delays in salary payments are rare. This was reported in only one municipality of the sample.

**Sample**

6 states, 17 municipalities in those six states, and 49 hospitals and 20 outpatient units in the sampled municipalities

**Sample design**

In the sampling exercise, states were selected to represent each of the six Brazilian major regions. Municipalities were selected on the basis of size.

**Resources monitored**

Budgetary resources, material inputs, wage expenditures.

**Recommendations**

- Develop and implement organizational arrangements giving units greater autonomy and authority to manage resources.
- Apply mechanisms to strengthen accountability such as management commitments or contracts that encourage administrators to focus on specific goals and measurable results.
- Synchronize and align the processes of planning, budgeting and information management, and orient them towards performance.

**Contact**

Gerard La Forgia: [glaforgia@worldbank.org](mailto:glaforgia@worldbank.org)

**Main report**

World Bank (2006) "Brazil Improving the Quality of Health Spending Resource Management in Brazil's Unified Health System," Report No. 36601 –BR, November 30.