

**Motivation**

A common view in Zambia is the need to increase per capita health spending. Health indicators remain weak, signifying possible resource allocation and/or service delivery problems.

**Objectives**

- To map sources and uses of funds in the health sector
- To assess the allocation, release, actual receipt and use of public expenditure down to the facility level.
- To analyze alternative scenarios for improving allocation of resources in the health sector and options for service delivery.

**Main findings**

Despite several efforts to estimate the resource requirements of providing a basic package of care, little success has been achieved in dramatically increasing government's allocation to health. While allocation to the districts is equity-enhancing, allocation to hospitals follows principles of historical budgeting that tend to perpetuate installed capacity, even if much of that existing capacity was heavily influenced by mining rather than public health concerns.

The allocation rules manifest themselves clearly in the highly inequitable provincial receipt of resources, where the poorest, most remote and least urbanized provinces receive the lowest per capita MOH releases.

**Leakage**

A fifth of the health facilities received resources less than their intended allocations.

Medical staff experience non-receipt of the full amount of salaries (about 15 percent of staff); unauthorized salary deductions (15.5 percent of staff); and staff payment of "expediter's fee" to obtain salaries (10 percent of staff).

**Absenteeism**

High rates of absenteeism (21 percent self-reported) and tardiness (43 percent self-reported)

**Other findings**

In contrast to previous years, the timing of MOH releases on district grants is predictable. However, more than a third of the DHMTs themselves admitted delays in releasing district grants to facilities, although this is difficult to understand given that most of them received these resources from MOH on time. Out of the 20 DHMTs queried, seven (or 35 percent) reported delays in releasing funds to the health centers and district hospitals under them, 50 percent did not, and 15 percent provided no categorical answer.

Cause: The imprest system, upon which 87 percent of health facilities depend, is also prone to delays in releasing resources to health facilities.

Delays in the receipt of salaries are observed (22 percent of staff).

Only two-thirds of health facilities have accurate registers.

**Sample**

18 hospitals, 90 rural health centers, 40 urban health centers.

**Sample design**

Units: central government, district, health facilities, patients

**Resources monitored**

- Various resource flows (government budget, basket funds, vertical project funds and internally generated funds)
- FY05-06 financial data

**Contact**

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**Main report**

Picazo, Oscar F. and Zhao, Feng (2009) "Zambia Health Sector Public Expenditure Review: Accounting for Resources to Improve Effective Service Coverage," World Bank Country Study N. 47110