

# GRZ Perspective on innovative international financing

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# [ Introduction ]

- Population: 12.2 (2007 projection)
- Under -5 mortality rate: 119 per 1,000 live births
- Infant mortality rate 70 per 1,000 live births in 2006 from
- Maternal Mortality: 591 per 100,000 in 2006 from 729 in 2002
- Poverty incidence; 64 percent
- Extreme poverty; 46%
- Gini-coefficient; 0.57

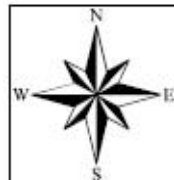
# [ Introduction ]

	2002	2006
Under Five Mortality	168	119
Infant Mortality rate	95	70
Maternal Mortality Rate	729	591
HIV Prevalence	16	14
Delivery by skilled attendant	43.4	46.5
Measles vaccination	84.4	8.9
Children Sleeping under ITN	9.8	28.6

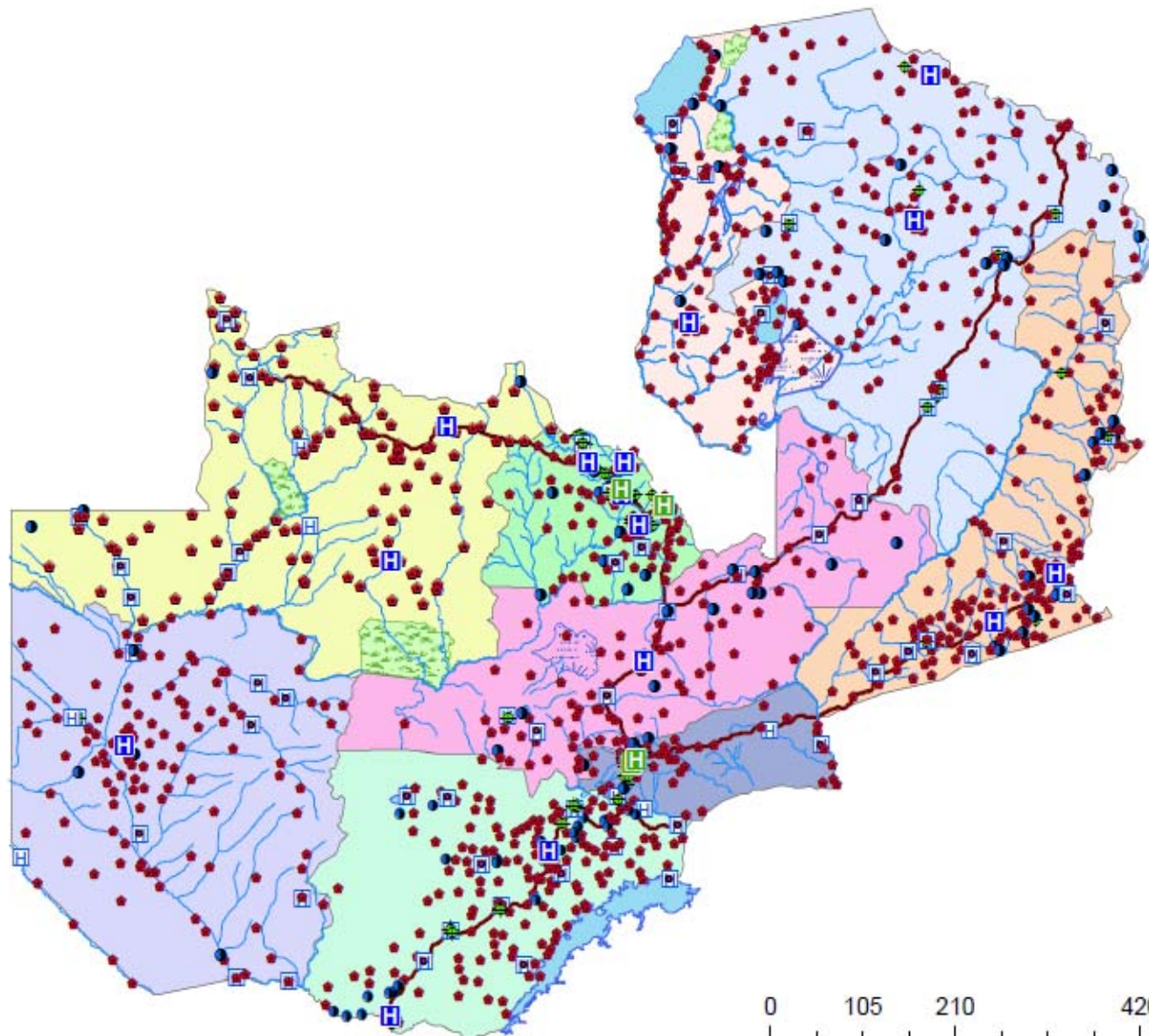
# [ Introduction ]

- By end 2008, 231,454 persons on ART. Estimated unmet has dropped from 99.9% in 2003 to 37.1% in 2008
- Malaria parasite prevalence reduced from 22% in 2006 to 10% in 2008,.
- Seventy-two percent of Zambian households had at least one mosquito net, and 62% of households had at least one ITN
- Forty-eight percent (48%) of all Zambian children under age five years slept under a mosquito net.

# Health Facilities in Zambia



- 3rd Level Hospital
- 2nd Level Hospital
- 1st Level Hospital
- Urban Health Centre
- Rural Health Centre
- Health Post
- HAHC
- Lakes
- Swamps
- River
- Main Road
- National Parks
- Central Province
- Copperbelt Province
- Eastern Province
- Luapula Province
- Lusaka Province
- North Western Province
- Northern Province
- Southern Province
- Western Province



0 105 210 420 Kilometers

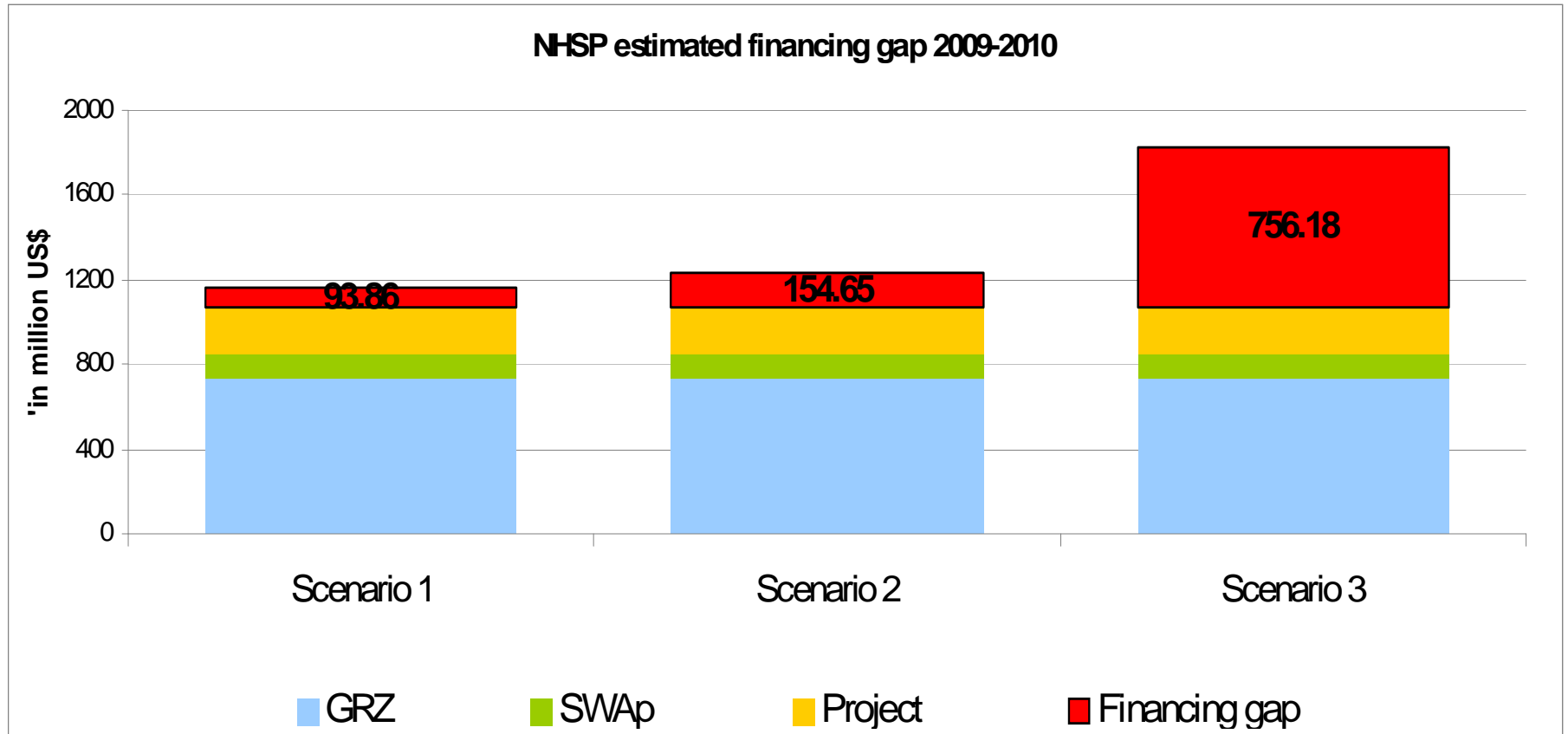
# [ Financing Sources (I) ]

- As a % of the total GRZ Discretionary Budget, the health sector currently receives 11.5%
- The major sources of funding for Public health services are GRZ (45%), Donors (55%) through SWAp, Direct Sector Support, Projects
- As a % of Total Health Exp. GRZ 25%, Households 27%, Donors 42%, Employers 5%, Others 1%
- As a % of GDP, Total Health Exp. Represents - 6.3% and about 2.1% for public health expenditure (NHA 2006)

# [ Financing Sources (II) ]

- Other sources include
  - User fees which until the scrapping in rural areas represented about 4%.
  - User fees still remain an important source of financing for major hospitals like the UTH.
  - Medical levy (1% tax on interest earnings) which contributed about US\$3.9 m in 2009

# NHSP Financing Gap 2009-2010





# Health System Constraints

# [ Human Resources ]

- Less than 50 % frontline health workers (nurses, midwives, clinical officers,) available to provide primary health care services
- Only 19% community health workers are active to promote use of ITNs, clean delivery and cord care, exclusive breast feeding, and ORT
- Factors: lack of incentives for CHW; poor remuneration, low training output, inadequate funding for recruitment and retention and long bureaucratic employment process.

# [ Infrastructure ]

- Inadequate and poor distribution of health facilities and outreach posts
- In rural areas 46% of families live outside a radius of 5 km from a health facility (compare to 99% in urban areas)
- Congestion in urban health centres highlighting the need to expand or build more facilities
- Inaccessibility due to geography and seasonal variation;
- Inadequate resources (vehicles, bicycles, motor-bikes, boats) for outreach services
- Scattered population in rural areas; unreachable terrains – mountains, valleys, plains, rivers
- Poor availability and state of equipment even for basic services like EMOC

# [ Drugs & Medical Supplies ]

- Estimated need about US\$ 54 million without ARVs and Coartem but only US\$ 21 available annually
- Budget for ARVs about US\$ 100 m to which government contribution is less than 10%.
- This is close to 40% of the health budget and 5 times the amount spent on all other drugs and lab reagents. Can we take over financing the ART program?
- Availability also affected by cumbersome procurement systems; poor quantification, forecasting; supply chain and logistics management



# Governance



- Support is also needed to strengthen governance arrangements including information systems, financial management system, procurement etc to improve efficiency and accountability in the use of resources
- Regulation functions including pharmaceutical and private health providers

# [ Raising funds ]

- The report should have emphasized the need for donor countries to fulfill commitments and where possible even raise them
- Domestically raising taxes less feasible but there should be scope for redistribution
- Social Health insurance under consideration but only feasible in urban areas where user fees are being charged
- Already have a medical levy which is a one percent tax on interest on savings

# Raising funds

- Sin taxes on cigarettes is a plausible proposal which Government can consider
- Private sector could be an important player especially for specialized care currently obtained from outside
- Most employer schemes use private facilities

# [ Channelling of funds ]

- Project funds are very difficult to capture in the budget due to inadequate information, budget cycle
- Project also have limited flexibility to support health systems in general and neglected areas such as maternal and child health
- The preferred mode of funding for the health sector is the SWAp or at least GBS

# [ Channelling of funds ]

- Shared vision and priorities for the sector between with CPs, ensuring government ownership and leadership
- One Performance assessment framework and joint M & E efforts between government & partners
- A comprehensive sector development strategy reducing asymmetry in funding health programs
- Enhances budgeting process and public expenditure management by capturing all funding sources and expenditures



**END of Presentation**

**I Thank You**