

# Decentralization of the Health Sector in Nepal: Contribution to the discussion

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by

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# Background: general

- Nepal has a long history of decentralization and local Government/local bodies
- The guiding law for local bodies is the Local Self Government Act (LSGA) 1999, guidelines and administrative rules and regulations
- In the 90th local bodies had elected representatives, councils and political heads (Chairpersons, mayors)
- Due to the ongoing conflict no local elections were held since 2002, local bodies are administered by deputed government employees

## Background: decentralization of health sector

- The health sector is mentioned in the LSGA as a „devolved sector“
- Several pilot projects have been implemented or are ongoing under the „Local Health Governance Strengthening Program“ (2010 - 12)
- An „Collaborative Framework“ has been signed between MoHP and MoFALD with an elaborated structure of coordination at national and district level and detailed objectives, TOR etc. (2013...)

# Collaborative Framework for strengthening Local Health Governance in Nepal (key notes)

- **Milestone reform step** in terms of establishing and strengthening responsive and accountable health system at local level
- Recognizes **health as prioritized local development agenda**, well linked with human development
- Opportunity to manage **social determinants of health**: contributing to better health outcomes through universal health coverage
- **Strengthened local health governance** contributing to participatory local governance in the long-run

# Collaborative Framework for strengthening Local Health Governance in Nepal

## **Major Activities 2014:**

- Steering structure in place
  - At national level (policy advisory committee)
  - Technical Advisory Team (central level)
  - At district level (district health governance strengthening task force) established in 18 Districts
- Joint monitoring structure established
- CF implementation guidelines approved (July 2013)
- Orientation of all 75 districts and 58 municipalities
- Intensive capacity development 18 districts and municipalities (up to 40 district health stakeholders)
- Grant funds for the implementation (6 districts)
- Preparation of VDC, Municipalities and DDCs annual and periodic plans ongoing

# Collaborative Framework for strengthening Local Health Governance in Nepal

(in the absence of a systematic monitoring report the following questions and/or issues may be raised):

1. Local bodies have in general difficulties in coordinating sector agencies in the planning and implementation process
- Can the CF be a model/platform for integration of sector planning and implementation in district/municipal annual and also periodic plans? What needs to be done? What feed back mechanisms are required?

# Collaborative Framework for strengthening Local Health Governance in Nepal

2. Can funding from the regular block-grants of MoFALD/LGCDP be expected to be applied for financing the decentralized health system?

- The existing block grants of MoHP are very much conditioned, insufficient, little chance to allocate sufficient and systematic resources for local needs and demands from below (bottom-up planning system VDC level).
- Budget of National Health Programs (mainly at District level) seem to be rigid and lack the flexibility for the change of line budget items according to needs (mismatch between targets and fixed budget versus attending local needs and demands)
- Urban health and new municipalities: urgent need for reorganisation of local health system

# Collaborative Framework for strengthening Local Health Governance in Nepal

3. Capacity of Local Administration for management and service delivery of decentralized health system is weak

- Orientation and support of local administrations representatives in the implementation of the CF (as already started) needs to be continued/intensified.
- Motivation and change of attitude is required for the successful implementation of the CF (Center as well as District)
- Relation of CF Capacity Development programs for local bodies and other stakeholders provided by LGCDP should be strengthened



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## 4. Decentralization of centralized functions (i.e. procurement for some supplies)

- Can procurement be partly decentralized? What capacity and fiduciary risk controls are required? How to deal with differences in costs/ cost escalation etc.?
- Present system of procurement (center, region, local) seems not to efficiently address the problems (supply chain management)
- HRM highly centralized, can it be decentralized (CF makes a reference to this issue)?

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## 5. Inclusion of private sector and NGOs in decentralized health structure

- Include private sector and NGOs in planning and implementation of decentralized local health plans?
- Coordination, complementarity, regulation, quality control and supervision of private sector and stakeholders to be done by local bodies (capacity and systems)??
- Special programs and projects to be included in annual VDC/district/municipal plans and budgets!

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## Conclusions:

- The brief desk study shows that the CF is a practical tool for the decentralization of health services to be provided by local bodies
- A number of issues need to be concretized and follow-up in a concrete operational plan
- The monitoring system could include incentives for good performances (f.ex. Health Performance Measuring System similar to the overall MCPM of MoFALD)

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## Conclusions:

- The existing participatory structures created by LGCDP (i.e. CAC, WCF and Integrated Plan formulation committee) need to be actively used for the promotion of local health services
- Planning and budgeting of health programs need to be decentralized to include demands from below, responding to local health needs
- The capacity development of MoHP for the service delivery of local stakeholders need to be upgraded within the framework (or in coordination) of the Capacity Development Strategy for Local Bodies of LGCDP