

Actions

- ☒ Write or support articles highlighting the issues in the media.
- ☒ Discuss with the Ministry of Finance, National Planning Commission, Ministry of Local Development and Ministry of Health and Population to identify and implement improvements in financial planning and management processes and harmonise central and district government planning cycles.
- ☒ Encourage donors (World Bank and DFID especially) to explicitly support and promote improved financial management, including transparency and accountability.
- ☒ Support public auditing initiatives, including lobbying for establishment of public auditing by all government and NGO programmes (public review of the previous year, including plans, achievements, budget, strengths and weaknesses of service providers and clients).
- ☒ Promote/support new local government provisions for local management and monitoring of local safe motherhood budgets and expenditure.
- ☒ Promote systems that make it easier for the private sector to invest and for civil society to have oversight of sub-sector investments to improve accountability.
- ☒ Inform and support civil society organisations to publicise these issues, support improvements and challenge irregular practices.



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Options

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Promoting Good Financial Practices in Public Health Services



6. Promoting Good Financial Practices

Objective

Government financial practices more transparent, accountable and responsive to safe motherhood sub-sector needs

Poor implementation systems at all levels in the public health sector, from the centre to district and below, hampers the progress of essential programmes. Lack of transparency and accountability reduces trust and public confidence and rigid adherence to regulations often fails to meet the needs of users and service providers. Systems for purchase of equipment (tenders and contracts) and construction contracting also need to be improved.

Facts

- ❑ **Inflexibility:** Finance mechanisms need to be more flexible to support decentralised decision making and action, especially for speedy implementation of urgent programmes.
- ❑ **Under Utilisation of Funds:** Procurement problems mean that most of the funding allocated for new equipment over the past three years has not been spent. These items were promised and are essential for life saving services, and non-delivery is highly de-motivating for health workers.
- ❑ **Poor Fund Flow:** Recent research¹ shows that over 40% of the women who delivered in a health institution last year 2007/08 did not get the safe delivery incentive to which they were entitled, mainly due to inadequate fund flow mechanisms.
- ❑ **Profiteering:** There is some evidence that medicines provided by government are being sold by health workers from pharmacies, an example of profiteering that increases the costs of treatment for poor people.
- ❑ **Poor Accounting:** Donors are reluctant to fund programmes if they are not sure of the soundness of accounting procedures. This reduces the availability of resources.
- ❑ **Delayed Construction:** Construction of emergency obstetric care facilities and birthing centres has been delayed due to various financing and contracting issues, particularly those financed under the government pool fund.



Challenges

- ❑ Entrenched practices
- ❑ Presence of Powerful networks and cartels
- ❑ Poor monitoring

Case Study: delayed construction of birthing centres

In 2005/06 the Management Division of the Department of Health Services planned to build 50 birthing centres, to provide delivery services in rural areas. Delays in the release of the budget meant the tender processes could not be completed in time that year and the unused money lapsed. The work was re-planned for 2006/07, but as the budget had been reduced, there was insufficient money to complete the building in that year. The work was again delayed to 2007/08. Thus a one-year project has dragged on for three years, during which time women have been without services.

Unprofessional Practices

During tendering in Morang, Gorkha and Bajhang districts, newspapers reported incidents of violence, including looting of government and intimidation. This is only the tip of the iceberg and similar practices have been exposed elsewhere regarding procurement of safe motherhood equipment.

Key Partners and Stakeholders

- ⌘ Department of Health Services, Family Health Division
- ⌘ Ministry of Health and Population, Health Sector Reform Unit
- ⌘ Ministry of Finance, Health Sector Reform Unit
- ⌘ National Planning Commission
- ⌘ Ministry of Local Development
- ⌘ DFID, World Bank
- ⌘ District Health Offices
- ⌘ Health facility management committees
- ⌘ Department of Urban Development and Building Construction



* 1. Evaluation of the Safe Delivery Incentives Programme. T Powell Jackson et al. 2008.