

# Support to decentralized health financing and governance in Tanzania



**Project full name:**  
Direct Health Facility  
Financing (DHFF)

**Priority:**  
Strengthening State  
Institutions

**Phase I:**  
2021 - 2025

**Total budget:**  
CHF 13'340'000

**Main partners:**

- Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC)
- President's Office - Regional Administration and Local Government (PO-RALG)

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## Project Overview

The Health Basket Fund (HBF) was created in 1999 as a pooling mechanism of external resources to contribute to government efforts in strengthening primary health care (PHC) in Tanzania. The HBF pools bilateral and multilateral funds to support sectorial reforms and co-finance the implementation of the five year Health Sector Strategic Plans.

Since inception, the HBF shifted from simply financing the Sector Expenditure Frameworks at central level to a decentralised, performance oriented aid modality for health sector financing. Following the piloting in 2017/18 of the Direct Health Facility Financing (DHFF) mechanism of the HBF, funds are now disbursed directly to all the health facilities across the country. The DHFF provides local governance authorities and PHC facilities with flexible and reliable funds thus allowing relevant planning and flexible prioritization according to local needs. The DHFF also enhances community engagement in the governance of their health facilities through the Health Facility Governing Committees, which directly oversee facility planning and budgeting and hold health care providers accountable for the quality of their services.

Currently eight development partners contribute to the Health Basket Fund: Canada, Denmark, Ireland, South Korea, Switzerland, UNFPA, UNICEF and the World Bank.

## Overall goal

To further expand equitable access and utilization of quality health services, and improve health financing through increased efficiency and effectiveness in allocation and use of resources by health facilities.

## Approach

1. **Decentralization of domestic and external financing:** pooling of DHFF, user fees and health insurance reimbursements (community health funds and the national health insurance) in a single governmental health account will further increase the autonomy of health facilities in planning, budgeting, management and use of funds.
2. **Expansion of universal health coverage:** the new HBF Memorandum of Understanding commits to include faith based primary health facilities thus doubling the number of service providers and expanding access to services.
3. **Improved public financial management:** local management capacity will further be strengthened to ensure Basket resources systematically follow the financial, administrative and management procedures set by government.

## KEY ACHIEVEMENTS

- **Improved health outcomes** through provision of basic amenities to over 6,000 health facilities.
- **Greater value for money, efficiency and equity of health financing** through improved harmonization, coordination and decentralization of health sector financing.
- **Evidence-based decision making** through increased data quality and usage.
- **Increased accountability and transparency** through improved scrutiny, controls, community engagement and performance monitoring.
- **Improved staff satisfaction and retention** by providing a conducive work environment as well as on-call and extra duty allowances.
- **Increased community ownership and engagement** in the Health Facility Governing Committee through the establishment of DHFF.
- **Improved institutional management capacities** at central, district and facility level.

## Beneficiaries

Direct beneficiaries are the over 6'000 public health facilities across the country. The end beneficiaries are the entire Tanzanian population of approximately 58 million people, predominantly benefiting women and children (representing 70%) who use most those primary health services.