Beyond Budget Ceilings: District Implementation Plans and Financing Constraints to Health Systems Strengthening. Evidence from Phalombe District, Malawi (2021–2026)

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Introduction: Global health financing has shifted markedly over the past 18 months. Declining donor support is placing pressure on decentralized health systems in low-income settings. In Malawi, District Implementation Plans (DIPs) guide local health priorities within constrained fiscal envelopes. This analysis reflects how Phalombe District has navigated these funding shifts and what this reveals about progress toward sustainable, domestically driven health systems.

Methods: We conducted a six-year retrospective review (2021–2026) of DIP allocations in Phalombe District. Funding patterns were analysed descriptively using the official DIP tracker, comparing government and partner contributions and examining how resource allocation decisions evolved under fiscal pressure.

Results: In response to constrained donor funding, the district prioritized maintaining essential services by directing government resources toward core operational costs. Programmatic activities, such as outreach clinics and supportive supervision, remained largely partner-funded, with limited evidence of domestic substitution. Prioritization decisions were guided by immediate service continuity needs rather than long-term system strengthening. Adaptations included tighter activity prioritization and reliance on partner alignment to sustain key programmes.

Discussion: While these strategies preserved basic service delivery, they reinforced structural dependency on external financing for system-strengthening functions. Limited fiscal space constrained domestic resource mobilisation, highlighting gaps in financial autonomy at the district level. These dynamics risk undermining progress toward universal health coverage and domestic health sovereignty.

Conclusion: Phalombe's experience underscores the need to rebalance financing toward domestically funded programmatic activities, integrate partner-supported interventions into government budgets, and strengthen participatory priority-setting.