



**Sustainable Financing
For Health Accelerator**

Disbursement Linked Indicators Course

Case Study: Lao PDR

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Country Context

LAO PDR

Country context: Facts



POPULATION

7.1 million



LOWER MIDDLE INCOME - GDP PER CAPITA (2018)

US\$ 2,542



GINI

32 (2002) to 41 (2018)



HUMAN CAPITAL INDEX RANKING

111



TRANSITION

Gavi 2022



TOTAL EXPENDITURE ON HEALTH

US\$71 per capita (2.8% of GDP), 56% public, 41% OOPs (2018)



HEALTH SERVICE COVERAGE INDEX

51% (2017), OOPs 3% (10% threshold), 0.44% falling below 60% of median consumption



EPIDEMIOLOGICAL TRANSITION

Shift from communicable diseases (44%) to NCDs (46%)



EXTERNAL FUNDING

High dependence, especially vertical programs

Goal: Moving towards UHC by 2025

Country context: Transition & Health Financing bottlenecks

RESOURCE MOBILIZATION

- Lao PDR behind its commitment to spend 9% of Government budget on health
- High dependence on OOPs and external financing for key services in the Essential Health Services Package

EQUITY & QUALITY

Transition of financing taking place while there is still a large pending agenda on equity, access and quality.



FRAGMENTATION

Fragmentation of planning, coordination, financing flows, reporting, monitoring, management of services, and human resources

PFM WEAKNESSES

- Weak planning and budgeting at the central, provincial and facility levels
- Compressed budget execution period for provincial and district levels
- Poor management of technical revenues
- Weak financial accounting and reporting systems
- Gavi audit report 2018 - non-compliance with fiduciary requirements, unsatisfactory accounting records, high risk for misuse of funds

Health and Nutrition Services Access (HANSA)

LAO PDR

Health and Nutrition Services Access (HANSA)

Project Objective

To help improve access to quality health and nutrition services while ensuring financial protection, particularly in targeted areas of Lao PDR

Alignment

The project is fully aligned with key national and global policy priorities including the 9th NSEDP 2021–2025 and the third phase of the health sector reform strategy 2021-2025

Sector-wide Approach

HANSA is investing at all levels of the health system (provincial, district, village) and addressing malnutrition through convergence approach

MoH Ownership

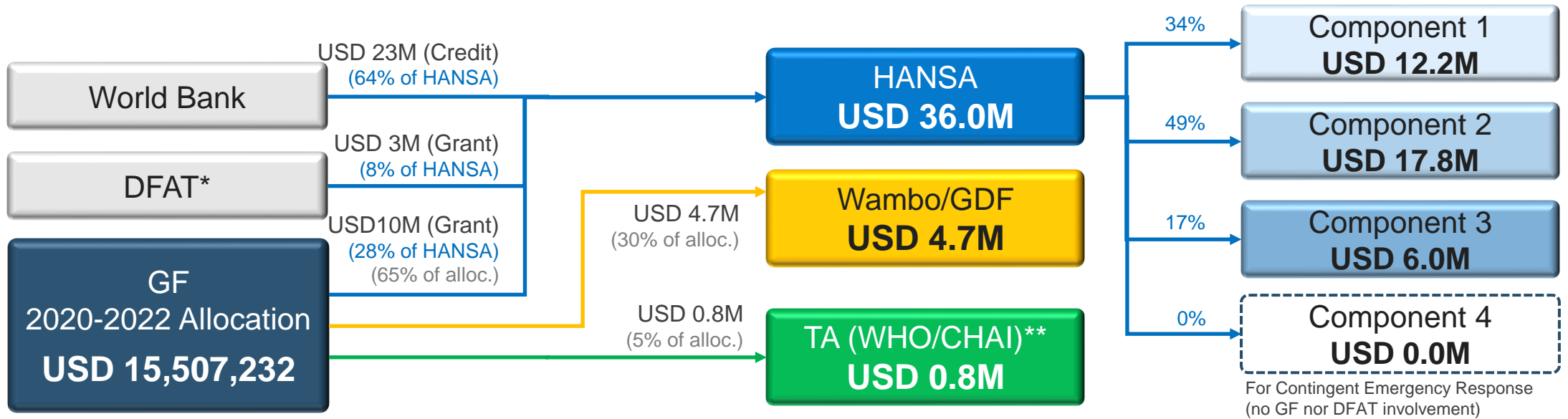
HANSA will be implemented by the Ministry of Health in cooperation with partners

PforR Approaches

HANSA will be implemented through a payment for results approach based on experience of HGNDP project

Joint Investment Overview

- ❖ A total of **USD 36M** to be invested in **HANSA** (incl. USD 23M credit from WB/IDA), which includes three components



* The Department of Foreign Affairs and Trade of Australia

** External TA to support HANSA

HANSA focuses on the following 3 components:

Component 1
USD 12.2M

Quality of health care at Health Center level

Results based payment made to health facilities on top of the fixed NHI capitation payment. The payment is based on an assessment done using a Quality and Performance Scorecard (QPS).

Component 2
USD 17.8M

Disbursement Linked Indicators (DLIs) at Provincial and Central level

Annual payments to central units and provinces upon achieving targets. Results reported through DHIS2, reliability verified through Independent Academic Institution (IAI)

Component 3
USD 6M

Project management (input based)

Project coordination, human resources, investments in DHIS2, monitoring and evaluation, annual external verification of results

Component 4*
USD 0M

Contingency Emergency Response (WB only)

Reallocation of financing in accordance with the WB IDA mechanism to provide immediate response to an eligible crisis or emergency likely to cause an adverse economic or social impact in the health sector.

*WB only. The GF and DFAT are not involved

The proposed DLIs focus on the following themes:

Improved quality of health services at the Health Center level

- *Rollout of the Quality and Performance Scorecard tools, and training of assessors*
- *Timely assessment and verification, and timely payments.*
- *Improved availability of essential drugs and supplies at health center level*
- *Improved availability of clinical personnel at health center level*
- *Capacity building of HC and district level in Financial Management*
- *Improved data and monitoring of individual patients through event capture in DHIS2*



Addressing Malnutrition (focus on four priority provinces)

- *Implementation of SBCC and GMP activities at village-level*
- *Regularity of integrated outreach to remote villages*



Delivery of Priority Public Health Programs

- *Increased coverage of MCH and immunization services in lagging districts*
- *Increased coverage of HIV testing and treatment, especially for key populations*
- *Improved TB notification*
- *Strengthening health security and preparedness, especially at ports of entry*



Disbursement Linked Indicators

<p>Quality performance and service readiness measurement conducted regularly at health center level</p> <p>DLI 1</p>	<p>Number of patients who pay out of pocket payment for “Free” Maternal and Child Services reduced</p> <p>DLI 2</p>	<p>Availability of essential drugs and supplies at health center level improved</p> <p>DLI 3</p>	<p>Number of provinces in which the number of health centers without a clinical health worker (government, contractual or volunteer), as reported in the DHIS2, has been reduced</p> <p>DLI 4</p>	<p>Improvement of financial management capacity at health center level</p> <p>DLI 5</p>	<p>Increase coverage and correctness of event capture report for specified services (DHIS2)</p> <p>DLI 6</p>
<p>Implementation of Social and Behavioral Change Communication and Growth Monitoring and Promotion activities at village-level</p> <p>DLI 7</p>	<p>Number of villages in Zones 2 and 3 in nutrition convergence provinces in which integrated outreach sessions are conducted</p> <p>DLI 8</p>	<p>Number of Immunization Target Districts which have increased the Pentavalent 3 and deliveries with Skilled Birth Attendant (<i>bottom 50 districts</i>)</p> <p>DLI 9</p>	<p>Number of notified TB cases of all forms (i.e. bacteriologically confirmed and clinically diagnosed new and relapse cases)</p> <p>DLI 10</p>	<p>Increased coverage of a) HIV testing among key populations (female sex workers (FSW)) and men having sex with men (MSM); b) and HIV treatment among people living with HIV</p> <p>DLI 11</p>	<p>Increase in national readiness for health security in responding to pandemics and health emergency at international boundaries (airports and ground crossings)</p> <p>DLI 12</p>

DLIs Year 0

There are required processes that the MoH needs to achieve that will unlock the WB and GF funding in January 2021. This funding can be considered as “seed money” to implement activities during 2021.

Examples Include:

- ❖ **Baseline information on TB notified cases** by province is established through **DHIS2**
- ❖ Joint protocol for **increased use of GeneXpert** (management and maintenance) as well as cross-program usage drafted jointly by the TB and HIV units
- ❖ **Standard operating procedure for HIV/AIDS case finding and management** (including health center, district and provincial level with easy access to Point of Care) approved by MoH

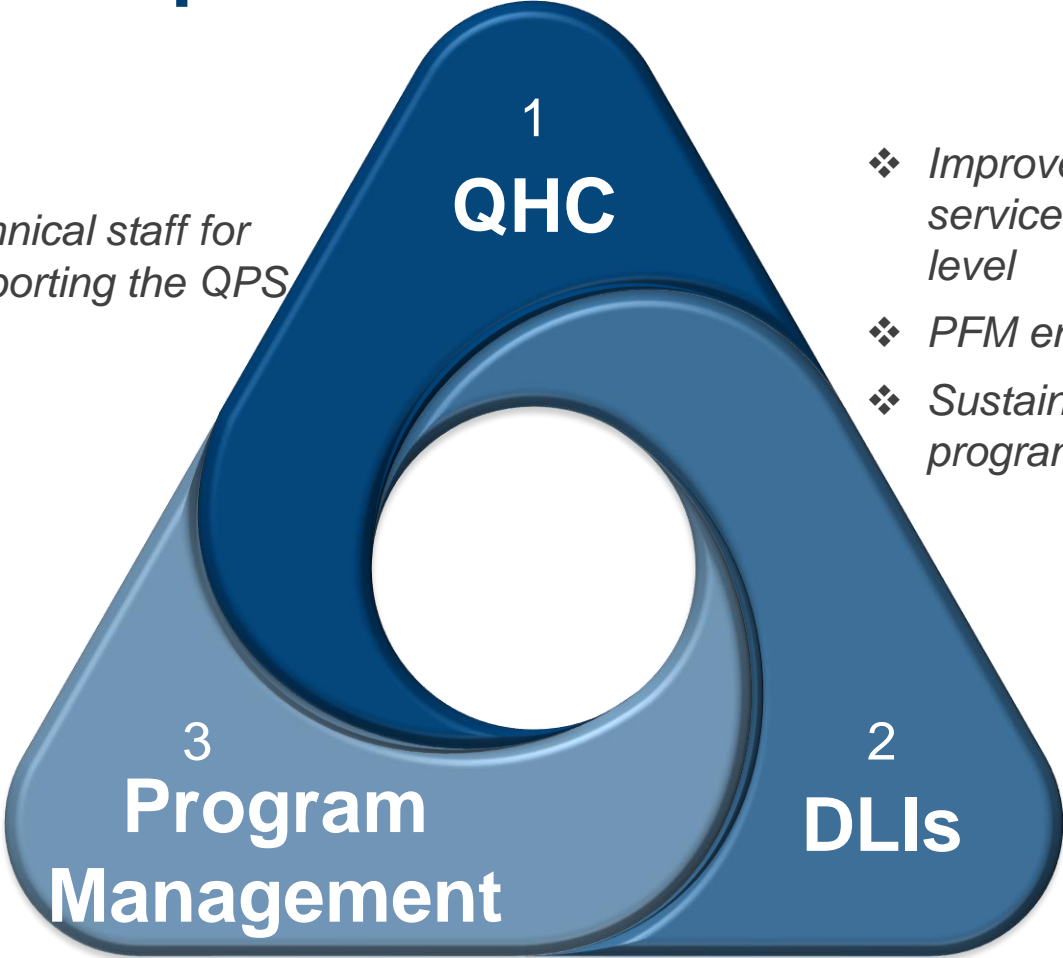
Synergies among the three components of HANSA

1 **Quality of Healthcare (QHC)**

2 **DLIs**

3 **Program Management**

Technical staff for supporting the QPS



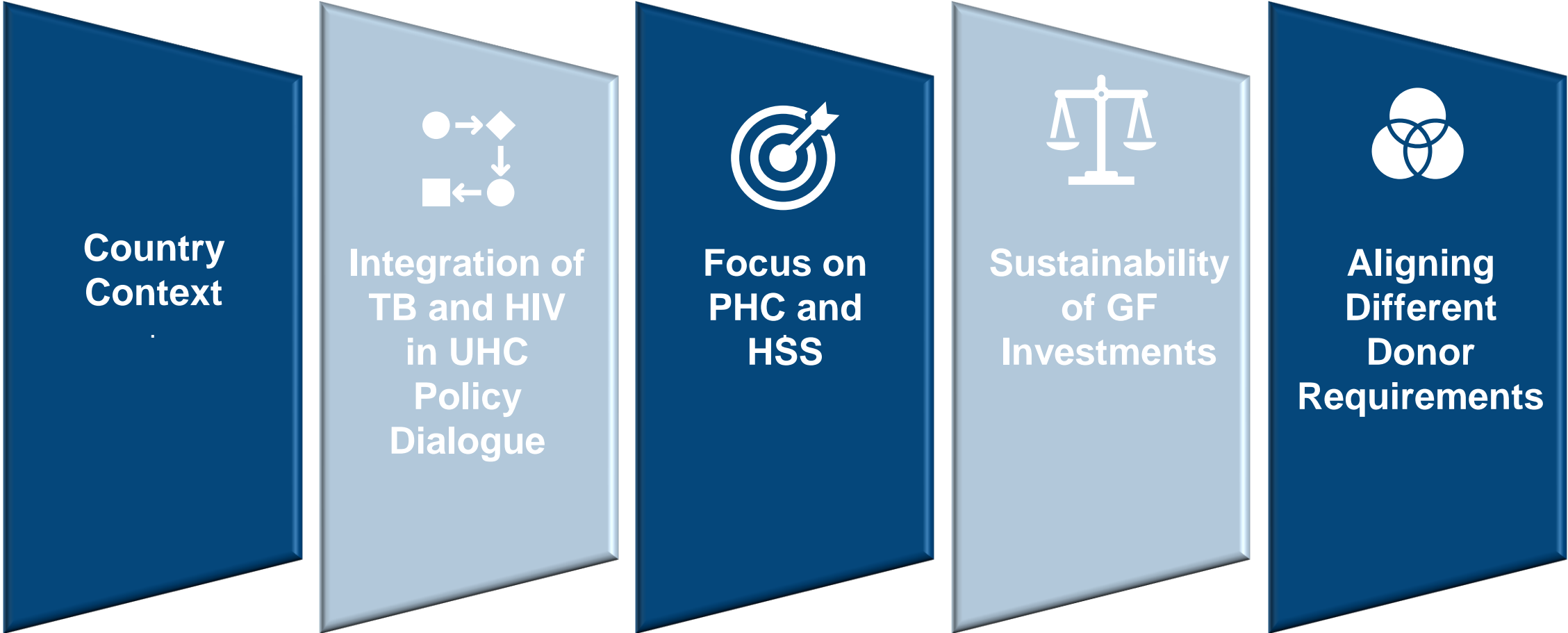
- ❖ *Improve quality of health services at Health Center level*
- ❖ *PFM enhancements*
- ❖ *Sustainability of vertical programs as TB and HIV*

- ❖ *External verification of results*
- ❖ *Provision of TA*
- ❖ *Capacity building and supervision*
- ❖ *Conducting studies and surveys*
- ❖ *DHIS2 strengthening*

Operational Aspects for Country Teams

LAO PDR

Important factors to move towards a joint investment



Contextual Suitability: Programmatic, Health Systems and Political

1

Stakeholder Analysis

Conduct an in-country stakeholder analysis

3

Strong Information Systems (HMIS)

Ensure strong information managements systems are in place

2

Support from Partners

Ensure support from partners, especially WHO as the main technical partner

4

Identify Gaps

Identify system gaps and ensure long term technical assistance

Building on/ Utilizing Strong Partnership



Evolving Partnership Story

The government of Lao PDR, WHO, WB, Gavi, and the Global Fund have been interacting on joint collaboration on multiple occasions & platforms (e.g. WHO Symposium, Gavi Board meeting in Lao, PMAC, Joint Workshops, World Health Assembly, Joint Missions, Joint Sustainability & Transition Flagship Course) leading to the joint investment in HANSA as one example.



Alignment with National Priorities, Strategies and Plans

Alignment of National Health Financing Strategy across all partners:

- Consultation with Partners and ensuring alignment with HANSA and other projects and initiatives
- Alignment with 2021-2025 9th Health Sector Development Plan and 3rd Phase of Health Sector Reform Strategy
- Alignment with health financing strategy

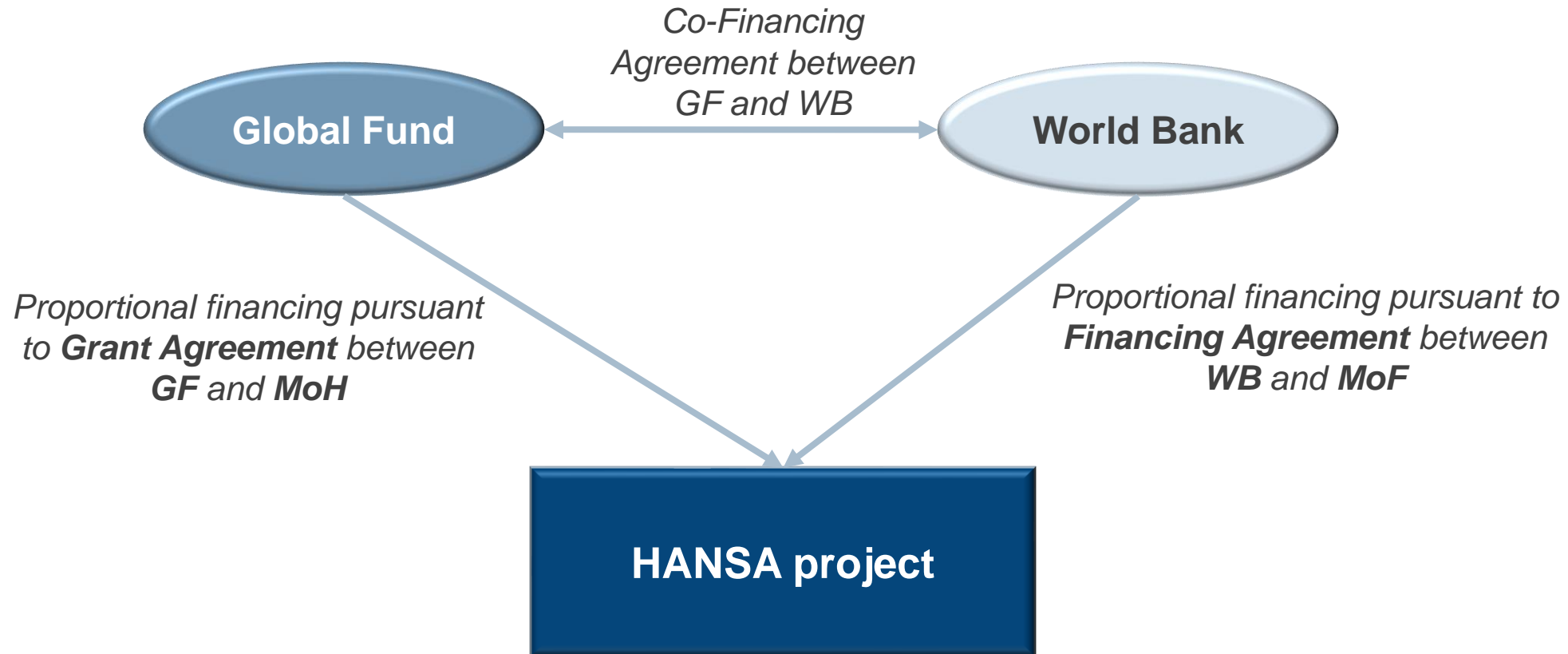


Partnership Effort Around Impact Evaluation

To evaluate ex ante, mid-term and at end line the success of the DLI scheme under HANSA in reaching its objectives

Program Co-Financing Structure Under the Framework Agreement

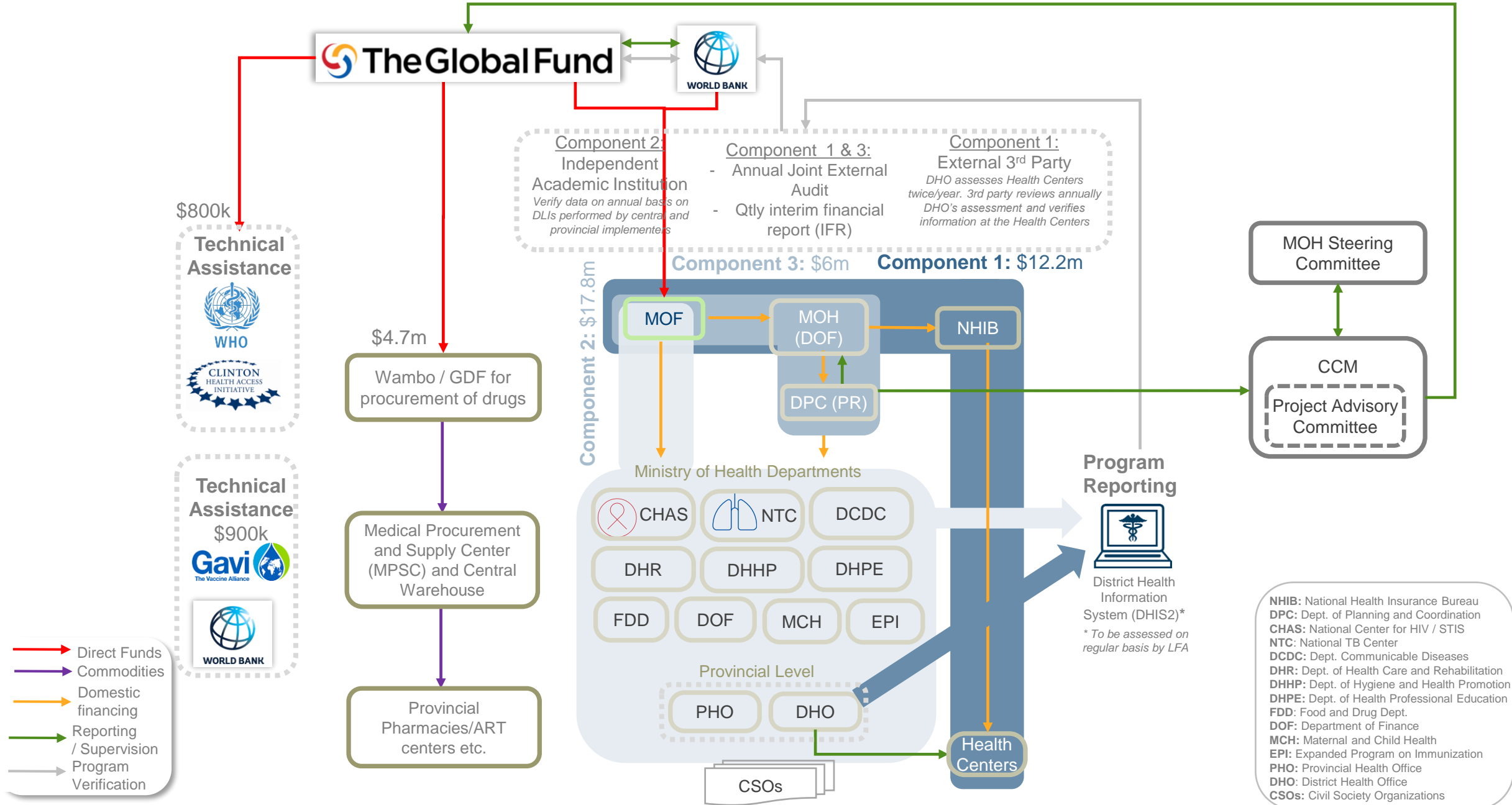
IMPORTANT: In all cases, the Global Fund will sign a grant agreement with the in-country recipient/PR*. This allows the Global Fund to pass on certain of its own requirements directly to the in-country recipient/PR (e.g. OIG** audit/access rights).



*PR: Principle Recipient

**OIG: Office of the Inspector General of the Global Fund

Implementation Arrangements



LESSONS LEARNED

1

Manage the **varied priorities, needs and expectations of different stakeholders**

2

Understand the **organizational modalities** of Global Fund and the World Bank to **ensure effective partnership**

3

Link **different in country governance structures** (i.e Global Fund CCM vs. MoH steering committee)

4

Joint investments require increased engagement with country stakeholders as well as internally at Global Fund and the World Bank level leading to **increased LoE from CTs**

5

Contracting CSOs, defining modalities, determining policy gaps, capacity gaps and TA requirements