



Technical Assistance Report

Project Number: 52037-001
Knowledge and Support Technical Assistance (KSTA)
October 2018

Developing the Health Sector in the Pacific

This document is being disclosed to the public in accordance with ADB's Public Communications Policy of 2011.

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
TA	–	technical assistance
WHO	–	World Health Organization

NOTE

In this report, "\$" refers to United States dollars.

Vice-President	Stephen Groff, Operations 2
Director General	Carmela Locsin, Pacific Department (PARD)
Director	Emma Veve, Urban, Social Development, and Public Management Division, PARD
Team leader	Ki Fung Kelvin Lam, Young Professional, PARD
Team members	Lady Diane Kuizon, Operations Assistant, PARD Inez Mikkelsen-Lopez, Health Specialist, PARD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE TECHNICAL ASSISTANCE	3
A. Impact and Outcome	3
B. Outputs, Methods, and Activities	3
C. Cost and Financing	3
D. Implementation Arrangements	4
IV. THE PRESIDENT'S DECISION	4
APPENDIXES	
1. Design and Monitoring Framework	5
2. Cost Estimates and Financing Plan	7
3. List of Linked Documents	8

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 52037-001
Project Name	Developing the Health Sector in the Pacific	Department/Division PARD/PAUS
Nature of Activity Modality	Research and Development Regular	Executing Agency Asian Development Bank
Country	REG (All DMCs)	
2. Sector		ADB Financing (\$ million)
✓ Health	Health sector development and reform	0.90
		Total <u>0.90</u>
3. Strategic Agenda		Climate Change Information
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project Low
Environmentally sustainable growth (ESG)	Disaster risk management	
Regional integration (RCI)	Pillar 4: Other regional public goods	
4. Drivers of Change		Gender Equity and Mainstreaming
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Institutional development Organizational development	Some gender elements (SGE) ✓
Knowledge solutions (KNS)	Knowledge sharing activities	
Partnerships (PAR)	Bilateral institutions (not client government) Implementation Regional organizations South-South partner United Nations organization	
Private sector development (PSD)	Conducive policy and institutional environment Public sector goods and services essential for private sector development	
5. Poverty and SDG Targeting		Location Impact
Geographic Targeting	No	Regional High
Household Targeting	No	
SDG Targeting	Yes	
SDG Goals	SDG3, SDG13	
6. Risk Categorization		Low
7. Safeguard Categorization Safeguard Policy Statement does not apply		
8. Financing		
Modality and Sources		Amount (\$ million)
ADB		0.90
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.90
Cofinancing		0.00
None		0.00
Counterpart		0.00
None		0.00
Total		0.90

I. INTRODUCTION

1. The knowledge and support technical assistance (TA) will support the Pacific developing member countries (DMCs) with ongoing or planned Asian Development Bank (ADB) health sector operations in (i) undertaking relevant prefeasibility work and assessments of critical health issues, including health impact assessments and cross-sectoral support; and (ii) identifying and replicating innovative and evidence-based approaches for developing and managing health services in the Pacific.¹

2. This TA is aligned with the operational priorities of ADB's Strategy 2030 to address remaining poverty and reduce inequalities; the Operational Plan for Health, 2015–2020 to support universal health coverage; and the Pacific Approach, 2016–2020 strategic framework to improve health and health services.² The TA will contribute to the Pacific region's own Healthy Islands vision³ and Sustainable Development Goal 3 by promoting reproductive, maternal, newborn, and child health; preventing infectious and noncommunicable diseases; and strengthening systems in regions with the highest disease burdens.⁴

II. ISSUES

3. **Pacific health burden.** Noncommunicable diseases are the leading cause of death in most Pacific DMCs. They contribute to 28% of premature deaths in Solomon Islands and Papua New Guinea and up to 51% in the Cook Islands, significantly higher than the 13% global average.⁵ Seven of the top 10 diabetes-prevalent countries in the world are in the Pacific, with Nauru and Tuvalu ranked at the top.⁶ Cancer is the second-leading cause of death in most Pacific DMCs behind ischemic heart diseases and stroke, with cervical, oral, liver, and uterine cancer-related deaths rising.⁷ The Pacific is also the only region in the world where the number of underweight children has increased since 1998.⁸ Poor health contributes to labor productivity losses, reduced educational outcomes, and poverty.

4. **Fragile health systems in the Pacific.** The Pacific DMCs comprise more than 12.4 million people spread across about 25,000 islands in 14 countries.⁹ There are many differences in economic growth and development in the health sector, with the percentage of gross domestic product spent on health ranging from 4.5% in Fiji to 19.7% in Tuvalu.¹⁰ The following limit the provision of basic health services to island communities: geography, transport, financial

¹ ADB's Pacific DMCs with ongoing health sector investments are Papua New Guinea, Samoa, and Tonga with operations planned for the Republic of the Marshall Islands, Solomon Islands, Tuvalu, and Vanuatu.

² ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila; ADB. 2015. *Operational Plan for Health, 2015–2020*. Manila; and ADB. 2017. *Pacific Approach, 2016–2020*. Manila. Because ADB developed the TA subsequent to the current Pacific Regional Operations Business Plan and adoption of the 2018 departmental work program it is not included in either. Pursuant to the staff instruction on business processes for knowledge and support TA, the ADB Vice-President for Operations 2 approved the TA concept paper on 11 September 2018.

³ Secretariat of the Pacific Community. 1995. *Yanuca Declaration: Healthy Islands Vision*. (Noumea). The Pacific health ministers adopted the Healthy Islands vision, which outlines the island communities' challenges in fighting noncommunicable and infectious diseases and regional security.

⁴ United Nations. 2015. [Sustainable Development Goal 3: Good health and well-being](#).

⁵ World Health Organization (WHO). 2017. [Global Health Observatory data](#).

⁶ International Diabetes Federation. 2013. [IDF Diabetes Atlas, Sixth edition](#).

⁷ S. Foliaki et al. 2011. Cancer incidence in four Pacific countries: Tonga, Fiji Islands, Cook Islands and Niue. *Pacific Health Dialogue*. March 17(1):21–32.

⁸ United Nations. 2015. [The Millennium Development Goals Report 2015](#).

⁹ ADB. 2018. *Basic Economic Indicators: ADB Pacific Developing Member Countries*. Manila.

¹⁰ WHO. 2017. *Health Information and Intelligence Platform (HIIP)*. <http://hiip.wpro.who.int/portal/default.aspx>

challenges, poor service networks, underperforming hospitals and health centers, low training and workforce availability, and the migration of skilled labor. These factors also contribute to significant disparities in health outcomes and unmet needs.¹¹

5. **Gaps in health financing.** Most Pacific DMCs provide health services free of charge, but out-of-pocket health expenditures are increasing (e.g., these expenses are estimated to account for 35% of the total health expenditure in Fiji and Vanuatu).¹² Because of the lack of appropriate infrastructure and services, medical evacuation is a common feature in all Pacific DMCs, utilizing a disproportionate percentage of public health financing to benefit just a small fraction of the population.¹³ Overcrowding in national hospitals for basic primary care services is driving up inefficiencies and health care costs. The level of health spending is unlikely to be sufficient to address future challenges, with the rising disease burdens and the Pacific DMCs still being dependent on development partner funding particularly for core public health functions (e.g., immunization programs and human resource development).¹⁴

6. **Gaps in knowledge and innovation.** Pacific DMCs have few opportunities for regional exchange on health issues, with limited capacity for evidence-based planning and decision making. Statistics on service utilization and other systems indicators in most Pacific DMCs are scarce, making it difficult to budget, rationalize service delivery, and inform policy. Papua New Guinea, through ADB, has introduced a digital health management information system from which others could learn. There is still much to be done in other areas of innovation (e.g., pooled procurement of essential medicines, telemedicine).¹⁵ Pacific DMCs need support in adapting innovations to their local contexts.

7. **Gaps in cross-sector support.** Projects in other sectors can potentially benefit the health sector. Opportunities in cross-sectoral collaborations to improve health through basic sanitation, and hygiene and safe drinking water, should be maximized in water projects and other urban projects in the region. Similarly, there are health benefits from improved transport safety; better solid waste management; and tertiary, technical, and vocational education projects that may improve access to health service providers and enhance the quality of health services. Pacific DMCs need support in strengthening innovative ways to work across sectors to maximize health benefits and improve other social determinants of health.

8. **Other Pacific challenges.** Climate change will continue to affect Pacific DMCs with cyclones, flash floods, and sea-level rise exposing key health facilities to significant risks. For example, the World Health Organization (WHO) assessed the National Referral Hospital in Solomon Islands, which is built within 2 meters of the mean high tide, to be unsafe and in need of immediate relocation.¹⁶ Underfinancing of operations and maintenance is a persistent problem in the Pacific, and this impacts the quality of health infrastructure, health technology, and ancillary investments including staff housing, utility provision to health facilities, and waste management facilities. In the worst cases, health facilities are forced to shut down, and these are often in the rural and remote island areas with the greatest health needs.

¹¹ WHO. 2016. [WHO in the Pacific 2014–2015](#).

¹² WHO. 2017. [Global Health Expenditure Database](#) (accessed July 2018).

¹³ G. Smith et. al. 2014. [The Development Needs of Pacific Island Countries](#).

¹⁴ Disease burden is the impact of a health problem on a given area, and can be measured using a variety of indicators such as mortality, morbidity or financial cost.

¹⁵ ADB. 2018. [Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach, Policy-Based Loan for Subprogram 1, and Project Loans for the Health Services Sector Development Program in Papua New Guinea](#). Manila;

¹⁶ WHO. *Hospital Safety Index: Screening Assessment of National Referral Hospital*. (2014, unpublished).

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The TA is aligned with the following impact: healthy lives ensured and the well-being for all at all ages promoted.¹⁷ The TA will have the following outcome: government capacity and readiness for health sector development in the Pacific enhanced. The TA will focus on supporting selected Pacific DMCs, Solomon Islands and Vanuatu in particular, with ongoing or planned health sector investments across two outputs.¹⁸

B. Outputs, Methods, and Activities

10. **Output 1: Health system investments in Pacific developing member countries assessed and prioritized.** ADB is expanding health operations across the Pacific, with tentative investments identified in Solomon Islands for 2020 and Vanuatu for 2021. The Government of Solomon Islands has committed to relocate the National Referral Hospital and the devolvement of primary and secondary care services to subnational health facilities in its National Health Strategic Plan, 2016–2020.¹⁹ This TA will address gaps by supporting the prefeasibility tasks of affordability and economic sustainability analysis, financing strategies, and risk assessments. In Vanuatu, the TA will help identify priority health investment needs and assess readiness of the sector and provide advice on how to apply technologies and digital solutions. The output will also address gaps in knowledge by supporting capacity development in data management, health impact assessments, and other studies related to water and sanitation, education, gender, and/or urban development to identify cross-sectoral opportunities for effective health investments in countries and/or regions.

11. **Output 2: Innovative health interventions determined, promoted, and implemented.** The TA will support Pacific DMCs in identifying and adopting innovations and best practices to improve the efficiency and effectiveness of health service delivery. This output will address gaps in knowledge and the assessment of opportunities to introduce innovations, such as health technologies, medical devices, use of blockchain systems, and pooled procurement; and build the national capacity to adopt innovations sustainably through technical experts. This output will also seek to enhance regional cooperation and exchange of information to support the adoption of innovation and best practices through workshops, conferences, and publications.

C. Cost and Financing

12. The TA is estimated to cost \$900,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6). The key expenditure items are listed in Appendix 2. The governments will provide counterpart support in the form of office accommodation, staff time, country data, counterpart staff for capacity building activities and regional meetings, and other in-kind contributions.

¹⁷ United Nations. [Sustainable Development Goals—Goal 3: Ensure healthy lives and promote well-being for all at all ages.](#)

¹⁸ ADB will identify the participating DMCs for TA support as potential health sector investment opportunities arise during the implementation period, including but not limited to commitments made to the development investment pipeline.

¹⁹ The Government of Solomon Islands and ADB agreed in June 2018 to support the conduct of prefeasibility studies.

D. Implementation Arrangements

13. ADB—through the Urban, Social Development, and Public Management Division of the Pacific Department—will implement the TA; select, supervise, and evaluate consultants; and organize workshops in close consultation with the participating governments. ADB is experienced in conducting operational research and implementing capacity building and institutional-strengthening activities. The TA team will maintain close coordination with the resident missions and other development partners during TA implementation. The implementation arrangements are summarized in the table.

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2018–October 2023		
Executing agency	ADB		
Implementing agency	Pacific Department		
Consultants	To be selected and engaged by ADB		
	Firm: Quality and cost-based selection	Consulting firm for sector assessments and studies (20 person-months)	\$400,000
	Individual consultants selection (international)	International experts (13 person-months)	\$234,000
	Individual consultants selection (national)	National experts (16 person-months)	\$64,000
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, TA = technical assistance.

Source: Asian Development Bank.

14. **Consulting services.** The TA will require consulting services of international and national specialists and experts, including but not limited to health economists, health services and management specialists, impact evaluation specialists, engineers, environment specialists, and other resource persons who have relevant experience in health facility design and construction, surveying, safeguards, and health technologies. The TA team will use a combination of individual consultant selection, indefinite delivery contract, and output-based lump sum contracts for consulting firms. The TA team will prepare the detailed terms of references at a later stage because the specific technical and expertise needs are unique (each supporting DMC will identify them). ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.²⁰

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$900,000 on a grant basis for Developing the Health Sector in the Pacific, and hereby reports this action to the Board.

²⁰ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Ensuring healthy lives and promoting well-being for all at all ages (Sustainable Development Goal 3) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Enhanced government capacity and readiness for health sector development in the Pacific region	By the end of 2023: a. At least two governments commit to identified health sector development investment pipeline activities ^b (2018 baseline: none)	a. Participating government investment plans and annual budgets	Government commitment to health sector investments is not sustained
Outputs 1. Health system investments in Pacific DMCs assessed and prioritized 2. Innovative health interventions determined, promoted, and implemented	By June 2023: 1a. At least two prefeasibility assessments and/or studies conducted in relation to potential health system investments (2018 baseline: none) 1b. At least two knowledge gap studies conducted in relation to capacity development in data management, health impact assessment, and/or cross-sectoral support (2018 baseline: none) 2a. At least two identified innovation or best practices adopted and incorporated into a health system (2018 baseline: none) 2b. Regional workshop held to disseminate and discuss best practices in pooled health procurement (2018 baseline: none)	1a. TA final report 1b. TA final report 2a. TA final report and published knowledge product 2b. TA final report and workshop report	Unavailability of qualified experts Insufficient commitment from counterparts because of political instability and high turnover

<p>Key Activities with Milestones</p> <p>1. Health system investments in Pacific DMCs assessed and prioritized</p> <p>1.1 Engage international and national consultants to undertake assessments and studies on priority investment areas (Q4 2018–Q4 2020)</p> <p>1.2 Conduct continuous consultations with Pacific DMC counterparts to support ad hoc needs as required, e.g., environmental impact assessment (Q4 2018–Q4 2020)</p> <p>2. Innovative health interventions determined, promoted, and implemented</p> <p>2.1 Engage international and national consultants to undertake research and health impact assessment studies (Q4 2018–Q4 2020)</p> <p>2.2 Organize a regional workshop or conference for knowledge sharing and best practices in regional cooperation (Q3 2019–Q3 2020)</p> <p>2.3 Identify and support Pacific DMCs to adopt health technologies and innovations (Q4 2020)</p> <p>TA Management Activities</p> <p>Management of consultant contracts from Q4 2018 until Q4 2020</p> <p>Regular reporting and supervision until Q4 2020</p> <p>Preparation of midterm review and final report until Q4 2020</p>
<p>Inputs</p> <p>ADB: \$900,000</p> <p>The governments will provide counterpart support in the form of office accommodation, staff time, country data, counterpart staff for capacity building activities and regional meetings, and other in-kind contributions.</p>
<p>Assumptions for Partner Financing</p> <p>NA</p>

ADB = Asian Development Bank, DMC = developing member country, NA = not applicable, Q = quarter, TA = technical assistance.

^a United Nations. [Sustainable Development Goals—Goal 3: Ensure healthy lives and promote well-being for all at all ages.](#)

^b Excluding Pacific DMCs with existing health sector portfolios, i.e., Papua New Guinea, Samoa, Tonga, Tuvalu, and Vanuatu.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants ^b	523.05
ii. National consultants	52.8
b. Out-of-pocket expenditures	
i. International and local travel	122.15
ii. Reports and communications	15.0
2. Surveys ^c	70.0
3. Training, seminars, workshops, forum, and conferences ^d	30.0
4. Miscellaneous administration and support costs ^e	5.7
5. Contingencies ^f	81.3
Total	900.0

Note: The technical assistance (TA) is estimated to cost \$900,000, of which contributions from the Asian Development Bank are presented in the table above. The governments will provide counterpart support in the form of office accommodation, staff time, country data, counterpart staff for capacity building activities and regional meetings, and other in-kind contributions.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6).

^b Including both consulting firm and international individual consultants.

^c Including surveys for conducting environmental, gender, and social assessments.

^d Including venue rental, travel costs of ADB staff acting as resource persons, and representation.

^e Including visas and other miscellaneous expenses.

^f Contingency rate set at 10% of the total budget.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52037-001-TARreport>

1. Terms of Reference for Consultants