



Technical Assistance Report

Project Number: 47137-001
Policy and Advisory Technical Assistance (PATA)
December 2013

Lao People's Democratic Republic: Health Sector Governance

CURRENCY EQUIVALENTS

(as of 2 December 2013)

Currency unit	–	kip (KN)
KN1.00	=	\$0.000125
\$1.00	=	KN8,003.50

ABBREVIATIONS

ADB	–	Asian Development Bank
MDG	–	Millennium Development Goal
MOH	–	Ministry of Health
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Policy and advisory technical assistance (PATA)
Targeting classification	–	General intervention
Sector (subsector)	–	Health and social protection (health programs)
Themes (subthemes)	–	Social development (human development), governance (public administration), capacity development (institutional development), gender equity (gender equity in human capabilities)
Location (impact)	–	Rural (medium), urban (low), national (high)

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Government of the Lao People's Democratic Republic (Lao PDR) has requested policy and advisory technical assistance (TA) from the Asian Development Bank (ADB) to help implement health sector reforms.¹ The request, made through the Ministry of Health (MOH), asked that the TA focus on strengthening governance systems; enhancing access to health services, particularly in rural and remote areas; and improving the quality of these services. The TA will also help identify options for ADB's future engagement in the sector. The TA is included in ADB's country operations business plan, 2014–2016 for the Lao PDR.² During 22–25 October 2013 fact-finding mission, the government and ADB agreed on the TA impact, outcome, implementation arrangements, costs and financing, and terms of reference. The design and monitoring framework is in Appendix 1.

II. ISSUES

2. **Poverty and inequality.** The economy of the Lao PDR grew at a rapid annual pace of 7.7% during 2006–2012. Its gross domestic product per capita increased from \$335 in 2000 to \$1,400 in 2012, and the poverty rate dropped from 39% in 1998 to 27% in 2008. Nonetheless, income disparities between the rich and poor and between rural and urban areas are widening. The poverty level was 31.7% in the rural parts of the country in 2008, compared with 17.4% in urban regions.³ Ethnic minorities are particularly affected. They comprise almost one-half of the population and live mainly in the highlands, where the poor are concentrated and access to basic services and health outcomes are worse than in the rest of the country.

3. **Lagging health indicators.** The Lao PDR has aligned its national development priorities with achievement of the Millennium Development Goals (MDGs). Despite steady improvement, progress on the MDG health indicators has lagged behind that of other countries in Southeast Asia. The maternal mortality ratio is still high—357 maternal deaths per 100,000 live births (MDG target: 260 per 100,000). The prevalence of stunted children under 5 years of age is 44%, compared with the MDG target of 34%.⁴ The full immunization coverage rate is a low 32%. Only 54% of women receive prenatal care, and only 42% have skilled assistance at the birth of their children.⁵ These indicators are lower for the poor and ethnic minorities (footnote 4).

4. **Financing health care.** Although financing in the sector has increased since 2009, it is still substantially lower than in most other Southeast Asian countries.⁶ In 2011, out of pocket payments account for 40% of total health expenditures, and external resources for health account for 23% of total health expenditures.⁷ Nonwage recurrent expenditures by the government are only 17% of the total government health expenditures, which impedes effective service delivery and operations and maintenance. The lack of health spending is even more perceptible at the provincial and district levels, even though they are mandated to deliver health

¹ The TA first appeared in the business opportunities section of ADB's website on 13 November 2013.

² ADB. 2013. *Country Operations Business Plan: Lao People's Democratic Republic, 2014–2016*. Manila.

³ Lao Statistics Bureau. 2008. *Poverty in Lao PDR*. Vientiane.

⁴ United Nations Development Programme. 2013. *Millennium Development Goals Report*. Vientiane.

⁵ Lao Statistic Bureau. 2012. *Lao Social Indicator Survey*. Vientiane.

⁶ In 2011, total health expenditure per capita was \$37 in the Lao PDR, \$51 in Cambodia, \$22 in Myanmar, \$97 in the Philippines, and \$96 in Viet Nam.

⁷ World Health Organization. Global Health Expenditures Database.

<http://apps.who.int/nha/database/DataExplorerRegime.aspx> (accessed 26 November 2013). External resources for health are funds or in-kind services that are provided by entities not part of the country in question.

services to address the MDGs.⁸ The quality of the health care being provided is also a concern. Health facilities lack medicine, basic equipment, and buildings, particularly in poor and remote areas.⁹

5. **Health sector planning and budgeting.** Low recurrent spending—particularly low nonwage spending—is a major constraint on the development of the health sector. Planning and budgeting systems need strengthening to allocate resources more efficiently. Budget execution by provincial governments is weak, and cash flow problems are encountered. Provincial spending is also vulnerable to political pressures and is not necessarily allocated in line with the national priorities. To pay for their basic operations and maintenance, district hospitals and health centers rely largely on small off-budget margins from the sale of medicines (through the drug revolving fund).

6. The country's major health programs are managed centrally and not integrated in provincial budgets. Official development assistance is channeled through separate mechanisms. This fragmentation of responsibilities prevents effective coordination with mainstream health service delivery at health facilities and undermines the authority of the provincial and district health officials responsible for delivering grassroots services. Financial management in hospitals and health centers lacks transparency and accountability. Significant sources of revenue, such as drug revolving funds and users' fees, are not included in the budgets of these health facilities. Budgets are mainly input-driven, and flexibility in allocating resources is restrained by the overall funding limitations.

7. **Health human resources.** The sector's performance also suffers from a shortage of qualified health workers, low staff productivity, a mismatch between the staffing structure and actual demand, inappropriate skill mixes, low salaries, and the absence of incentives for staff to work in remote areas. The number of health workers per capita has remained unchanged at 1.8 per 1,000 people since 2005. Only 53% of health employees have been assigned to the districts where they are needed most.¹⁰ The sector lacks qualified female workers, and more members of the country's ethnic minorities need to be trained to strengthen the health workforce in rural and remote areas. The government is implementing licensing for nurses and midwives, but the country still does not have a licensing system for medical doctors. Pre-service training of health workers also needs strengthening. Many educational and training institutions lack qualified teachers, provide poor skills training, and charge high fees. Registration and regulation systems for training institutions are still underdeveloped.

8. **Private provider regulatory framework.** The Lao PDR has many private pharmacies and clinics in urban areas, but few private hospitals, mainly in big cities. Responses to the growing demand for high quality, technology-intensive medical services may include private sector participation and the outsourcing of certain services. However, the government would need to facilitate private sector investments and improve its licensing and regulatory framework in order to mitigate negative externalities and ensure good quality health care services. Options for engaging civil society organizations in the financing and delivery of health services should also need to be explored.

⁸ ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Sector Development Program and Project — Asian Development Fund Grants to the Lao People's Democratic Republic for the Health Sector Development Program*. Manila. Appendix 2, Sector Analysis.

⁹ ADB. 2009. *Health Sector Development Program Project*. Consultant's report. Manila (TA7167-LAO).

¹⁰ Government of the Lao PDR, Ministry of Health. 2010. *Draft Executive Summary of the Seventh Five-Year Health Sector Development Plan (2011–2015)*. Vientiane.

9. **Government strategy.** The government has introduced policies and strategies since 2000 to guide health sector reforms aimed at achieving the MDGs, improving health financing and systems, setting standards, and strengthening coordination within the sector. The government's Seventh National Socio-Economic Development Plan, 2011–2015 reflects its commitment to improve human development outcomes. The National Health Sector Reform Strategy, 2013–2025 aims to achieve the MDGs by 2015, increase access to basic services by 2020, and provide universal coverage by 2025. Its five priority areas are (i) human resource development; (ii) health financing; (iii) organization, management, and planning; (iv) services delivery, with emphasis on maternal and child care; and (v) information, monitoring, and evaluation. To date, the reform policies implemented by the government have improved the health sector's regulatory framework and management. However, issues remain and their causes need to be carefully considered. An updated analysis of health policy and health services management is needed, including an evaluation of the capacity to implement reforms and manage health services effectively at the national and subnational levels.

10. **ADB assistance.** ADB has helped improve health service delivery and health sector planning in the Lao PDR through several interventions.¹¹ Since 2007, ADB has helped the country's provinces prepare 5-year development plans, enhance their ability to plan and budget, and improve the general management competencies of provincial and district health officers in these areas. The MOH benefitted from TA that supported budget formulation with a medium-term expenditure focus.¹² ADB has provided conditional block grants to provinces to improve the delivery of health services. An ADB grant approved in 2010 is helping control communicable diseases and focuses on poor and remote areas.¹³ This new TA will build on ADB's engagement in the management of the country's public sector, which has addressed institutional and capacity weaknesses and has emphasized (i) the enhancement of public financial management subsystems related to budget formulation, reporting, and accounting; (ii) the implementation of medium-term fiscal and expenditure frameworks; (iii) the implementation of multiyear budgeting and intergovernmental fiscal relations; and (iv) the strengthening of civil service capacity in the central and subnational governments.¹⁴

11. **Lessons learned.** Despite the improvements in service capacity and quality achieved with ADB support, weaknesses in the management of the Lao PDR's health system and the lack of adequate financing continue to create system inefficiencies and result in poor quality health care in the country. Although ADB's engagement in public sector management improved some government policies, the implementation of the reforms by the line ministries still remains a challenge. ADB support for reforms in health human resources management in neighboring countries such as Viet Nam is showing good results, but to achieve the same improvements the Lao PDR still needs to streamline national governance reforms into the health sector and

¹¹ ADB. 2007. *Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Lao People's Democratic Republic for the Health System Development Project*. Manila; ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Sector Development Program and Project— Asian Development Fund Grants to the Lao People's Democratic Republic for the Health Sector Development Program*. Manila.

¹² ADB. 2007. *Technical Assistance to the Lao People's Democratic Republic for Improved Public Financial Management Systems*. Manila.

¹³ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grants Second Greater Mekong Subregion Regional Communicable Diseases Control Project to the Kingdom of Cambodia, Socialist Republic of Viet Nam and for the Lao People's Democratic Republic*. Manila.

¹⁴ ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach, Policy-Based Loan and Grant, and Grant Assistance for Subprogram 1 to the Lao People's Democratic Republic for the Governance and Capacity Development in Public Sector Management Program*. Manila.

achieve a broad consensus on a road map for effective implementation of health sector governance reforms, among others.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

12. The TA will support implementation of the government's National Health Sector Reform Strategy and focus on the strategy's governance reform components, including improvements in organization, management, and planning. The impact will be the implementation of governance-related policy and institutional reform measures in the health sector. The TA outcome will be a health sector governance reform program submitted to the government.

B. Methodology and Key Activities

13. **Output 1: Policy, regulatory framework, and health sector management system reviewed.** The TA will review the health policy and regulatory environment and identify areas for improvement. The TA will also analyze health sector management. The analysis will cover institutional, organizational, and coordination arrangements; policy and decision-making processes at the national and subnational levels of administration; management information systems and reporting systems; staffing; financial management, procurement, and logistics management; and licensing and registration.

14. **Output 2: Road map to strengthen policy and regulatory framework and health sector management system developed.** The TA will identify strategic measures to improve health financing; intergovernmental fiscal relations; planning and budgeting; participation and regulation of private sector and non-state actors; and human resources management, including ways to correct the qualified health staff gender imbalance. The TA will review good practices and lessons on health sector policies and management in neighboring and other Southeast Asian countries. It will identify measures to raise operational efficiency and productivity so that access to and the quality of health care can improve. Options for private sector engagement will be explored. The TA will also assess the management capacity at the MOH and the subnational levels and recommend capacity strengthening measures. The road map will identify responsibilities and accountabilities for implementing recommended actions. The review and the preparation of the road map will involve stakeholder consultations. The main activities will include workshops, meetings, study tours, and report preparation and dissemination.

15. **Output 3: Health sector governance assistance identified and developed.** The TA will identify and develop an option for further ADB assistance in governance in the health sector, including in health services delivery, as appropriate. It will (i) identify potential program and project coverage, activities, and financing; (ii) develop overall program and project management and implementation arrangements; (iii) prepare gender, social, and environmental safeguard documents required for ADB's engagement; and (iv) prepare other ADB-required documents for supporting health sector governance in the Lao PDR. The TA will prepare knowledge products based on the TA analyses that will include health sector budgeting; financial management; recurrent cost financing; and human resources distribution, licensing, and accreditation.

C. Cost and Financing

16. The TA is estimated to cost \$1,050,000, of which \$1,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide

counterpart support in the form of counterpart staff, office accommodation, utilities, meeting venues, and other in-kind contributions.

D. Implementation Arrangements

17. The MOH will be the executing agency, and the TA will be implemented from 1 April 2014 to 31 March 2015. A steering committee chaired by the minister of health and including representatives of the Ministry of Planning and Investment and the Ministry of Finance will review and guide TA work. The Department of Planning and International Cooperation of the MOH will be responsible for TA implementation. The MOH will appoint a project director to provide overall leadership and guide and coordinate TA activities, and a deputy project director to support technical meetings and consultations with stakeholders and assist in implementation. Technical working groups on human resources development, quality of care, and health financing will be established to provide technical advice, in coordination with relevant experts from other ministries and development partners, which will include the Luxembourg Agency for Development Cooperation, the Japan International Cooperation Agency, the World Health Organization, and the World Bank.

18. The TA will support 18 person-months of international consulting services from a health sector governance specialist, who will be the team leader; a health planning and financial management specialist; and a health service delivery and human resources management specialist. It will also provide 20 person-months of national consulting services through the engagement of national health system reform specialists, a social development and safeguard specialist, and a communications and stakeholder advocacy specialist. To ensure high quality of inputs and flexibility, consultants will be recruited by ADB as individual consultants, in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). Flexibility to mobilize expertise as required will be provided by determining the terms of reference and selection method during TA implementation for 4 person-months of international and 10 person-months of national consulting services—possibly in the areas of financing, health policy and governance, auditing, accounting, procurement, financial management, safeguards, and gender. The outline terms of reference for consultants are in Appendix 3. The TA will also mobilize short-term resource persons to provide specific expertise, as needed. The TA will support four national administrative staff members, including an administrator, an accountant, a translator, and a secretary. Equipment under the TA will be procured by the MOH in accordance with ADB's Procurement Guidelines (2013, as amended from time to time) and retained by the MOH on completion of the TA. The executing agency will be provided with an advance payment facility. Funds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). During previous ADB-funded projects, the MOH has demonstrated the capacity to complete activities and liquidate the advance.

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis to the Government of the Lao People's Democratic Republic for Health Sector Governance, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Governance-related policy and institutional measures are implemented in the health sector.</p>	<p>By 2020: Health sector governance reform activities incorporated in the Eighth National Health Development Plan, 2016–2020 and implemented</p>	<p>MOH annual report</p>	<p>Assumptions Adequate external financing, domestic budget resources, and private sector investments are available in the health sector.</p> <p>Political support for achieving progress in key MDGs remains high.</p> <p>Risk Institutional and capacity constraints delay or weaken reforms.</p>
<p>Outcome A health sector governance reform program formulated and submitted to the government</p>	<p>By March 2015: Priority reform areas to improve health sector governance and health service delivery submitted to MOH</p> <p>Health sector governance assistance submitted for funding consideration by the Government.</p>	<p>MOH annual report</p> <p>TA monitoring report</p>	<p>Assumption Political and government commitment and support for health sector reforms is sustained.</p> <p>Risk Political economy issues limit the acceleration of reforms in key sectors.</p>
<p>Outputs</p> <p>1. Policy, regulatory framework, and health sector management system reviewed</p> <p>2. Road map to strengthen policy and regulatory framework and health sector management system developed</p>	<p>Studies reviewing the health policy and regulatory environment completed and endorsed by MOH by June 2014</p> <p>Studies reviewing the health sector management system, including gender-disaggregated indicators, completed and endorsed by MOH by July 2014</p> <p>Gender-responsive road map for strengthening these areas completed by August 2014</p>	<p>TA monitoring report</p> <p>Submitted drafts</p> <p>Knowledge product reports</p>	<p>Assumptions Coordination between MOH and Ministry of Finance on TA implementation is effective.</p> <p>Risks Engagement in TA by MOH senior staff at all levels is limited.</p> <p>Stakeholders (Ministry of Finance, MOH, provincial governments) fail to achieve consensus on reforms.</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks																	
3. Health sector governance assistance identified and developed	Draft report on gender-sensitive health sector governance assistance completed by November 2014 Four knowledge products presented to MOH by March 2015																			
<p>Activities with Milestones</p> <p>Output 1: Policy, regulatory framework, and health sector management system reviewed</p> <p>1.1 Collect and analyze information on health policy and regulatory framework, April–May 2014</p> <p>1.2 Collect information on health sector management systems by May 2014</p> <p>1.3 Present results of the review to the relevant stakeholders by June 2014</p> <p>1.4 Complete the reports by July 2014</p> <p>Output 2: Road map to strengthen policy and regulatory framework and health sector management system developed</p> <p>2.1 Conduct stakeholder consultations and consensus building on priority reforms and road map, June–July 2014</p> <p>2.2 Prepare road maps and implementation plans, incorporating relevant MOH staff recommendations, July–August 2014</p> <p>2.3 Complete the reports by September 2014</p> <p>Output 3: Health sector governance assistance identified and developed</p> <p>3.1 Identify and prepare potential program coverage and activities, together with MOH staff, by August 2014</p> <p>3.2 Prepare gender, social, and environmental safeguards documentation, including other documents for supporting health sector governance in the Lao PDR, by November 2014</p> <p>3.3 Prepare knowledge products by January 2015</p>		<p>Inputs</p> <p>Asian Development Bank: \$1,000,000 (TASF-V)</p> <table border="1" data-bbox="1047 804 1435 1178"> <thead> <tr> <th data-bbox="1047 804 1323 835">Item</th> <th data-bbox="1323 804 1435 835">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="1047 835 1323 867">1. Consultants</td> <td data-bbox="1323 835 1435 867">598.0</td> </tr> <tr> <td data-bbox="1047 867 1323 930">2. Workshops and meetings</td> <td data-bbox="1323 867 1435 930">110.0</td> </tr> <tr> <td data-bbox="1047 930 1323 961">3. Study tours</td> <td data-bbox="1323 930 1435 961">75.0</td> </tr> <tr> <td data-bbox="1047 961 1323 1024">4. Reports and dissemination</td> <td data-bbox="1323 961 1435 1024">15.0</td> </tr> <tr> <td data-bbox="1047 1024 1323 1087">5. Office equipment</td> <td data-bbox="1323 1024 1435 1087">20.0</td> </tr> <tr> <td data-bbox="1047 1087 1323 1119">6. Miscellaneous</td> <td data-bbox="1323 1087 1435 1119">82.0</td> </tr> <tr> <td data-bbox="1047 1119 1323 1150">7. Contingency</td> <td data-bbox="1323 1119 1435 1150">100.0</td> </tr> <tr> <td data-bbox="1047 1150 1323 1178">Total</td> <td data-bbox="1323 1150 1435 1178">1,000.0</td> </tr> </tbody> </table> <p>Note: The government will provide counterpart support in the form of counterpart staff, office accommodation, utilities, meeting venues, and other in-kind contributions.</p>	Item	Amount	1. Consultants	598.0	2. Workshops and meetings	110.0	3. Study tours	75.0	4. Reports and dissemination	15.0	5. Office equipment	20.0	6. Miscellaneous	82.0	7. Contingency	100.0	Total	1,000.0
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ADB = Asian Development Bank, MDG = Millennium Development Goal, MOH = Ministry of Health, TA = technical assistance.

Source: Asian Development Bank.

Leah C. Gutierrez
Director, SEHS

James Nugent
Director General, SERD

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	444.00
ii. National consultants	94.00
b. International and local travel	60.00
2. Workshops and meetings	110.00
3. Study tours ^b	75.00
4. Reports and dissemination	15.00
5. Office equipment ^c	20.00
6. Miscellaneous administration costs ^d	82.00
7. Contingencies	100.00
Total	1,000.00

Note: The technical assistance (TA) is estimated to cost \$1,050,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office accommodation, utilities, meeting venues, and other in-kind contributions. The value of government contribution is estimated to account for 5% of the total TA cost.

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

^b Study tours will provide national and provincial health services managers exposure to governance policies in Malaysia, Singapore, Thailand, Viet Nam.

^c Tentatively: three computers, two printers, one telefax, and one photocopier.

^d Including translation costs, administrative staff, office stationery, and communication costs.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) project will mobilize the services of international and national experts to support analyses, policy dialogue, and other activities.

A. International Consultants

2. **Health sector governance specialist and team leader (international, 6 person-months).** The health specialist and team leader will have at least 15 years of international experience and knowledge of health systems and health governance reforms in developing countries. He or she will have substantive experience in creation and implementation of governance reforms in health. Specific experience with the health systems in Asia and the Lao People's Democratic Republic (PDR) is preferable. As the team leader, she or he will also (i) have demonstrated experience in capacity development and change management in developing countries and transitional economies, preferably within the region; (ii) show a good understanding of the history and development of public financial management reforms; (iii) have knowledge of human resources management and private sector regulation; and (iv) have demonstrated project management capabilities. The expert will report to the Ministry of Health (MOH); perform the role of a chief technical adviser to the MOH Department of Planning and International Cooperation; and work in close coordination with other relevant MOH departments, other line ministries, the Ministry of Finance, and the Ministry of Planning and Investment. All tasks pertaining to analysis, stakeholder consultation, identification of priorities, and road map design will relate to national and subnational levels. The specialist's tasks will include the following:

- (i) He or she will analyze the national health policy and regulatory framework, including planning, budgeting, health financing, intergovernmental fiscal relations, human resources management, and private sector regulation. In consultation with relevant stakeholders, the specialist will propose a road map to strengthen the policy and regulatory framework.
- (ii) He or she will analyze the health sector management system, including administration, institutional and organizational arrangements, coordinative mechanisms, management information systems, reporting systems, staffing, financial management, procurement, logistics management, and licensing and registration. He or she will identify major challenges and opportunities related to health sector governance and provide and discuss with relevant stakeholders recommendations for system improvement.
- (iii) The team leader will coordinate the inputs of other specialists in tasks (i) and (ii).

3. The team leader and health sector governance specialist will also

- (iv) liaise and consult with relevant stakeholders and government agencies to validate the assessment;
- (v) coordinate the preparation of four knowledge products;
- (vi) prepare the policy implementation road maps;
- (vii) coordinate the training needs assessment and the identification of capacity development measures at all levels;
- (viii) ensure broad support of the plan, both inside and outside the MOH;
- (ix) prepare an action plan for capacity development (sequenced and prioritized), based on best international practice but closely aligned with best practices and procedures of the Lao PDR public sector administration;
- (x) identify and design future health sector governance engagement by the Asian Development Bank (ADB);

- (xi) prepare due diligence documentation in view of future ADB engagement in health sector governance;
- (xii) design a strategy to ensure stakeholder support for the health governance reform agenda;
- (xiii) lead, manage, coordinate, and facilitate all aspects of the TA project; and
- (xiv) perform any other task required in implementing the project, including assisting ADB missions, to help achieve the objectives and goals of the TA project within the approved budget.

4. Planning and financial management specialist (international, 6 person-months).

The planning and financial management specialist will have appropriate qualifications in administration of health services and planning, budgeting, budget execution and reporting, and other closely related decentralization disciplines in health services. He or she will be experienced in developing guidelines and performing training needs assessment in public financial management. Work experience in Asia and the Lao PDR is preferable. The specialist will have at least 10 years of relevant experience in financial management and work experience in low-income countries in Southeast Asia. The planning and financial management specialist will work closely with the international team leader. All tasks pertaining to analysis, stakeholder consultation, identification of priorities, and road map design will relate to national and subnational levels. The specialist's tasks will be to

- (i) analyze current rules, norms, standards, and guidelines related to planning, budgeting, health financing, intergovernmental fiscal regulations, and financial management;
- (ii) identify capacity gaps in implementing health planning, budgeting, health financing, and financial management at all levels in the health system;
- (iii) conduct training needs assessment at national and subnational levels in the areas of planning, financing, and financial management;
- (iv) present and discuss the findings of the analysis with relevant stakeholders;
- (v) assist in the implementation of the stakeholder consultation process;
- (vi) assist in the preparation of due diligence documentation in view of future ADB engagement in health sector governance, particularly financial and economic analysis and financial management assessment, and
- (vii) prepare three studies or knowledge products on topics that could include (a) health sector budgeting and financing, (b) assessment of financial management, and (c) health infrastructure and recurrent cost financing.

5. Health service delivery and human resource management specialist (international, 6 person-months).

The health service delivery and human resource management specialist will have knowledge and experience in the organization of health service provision and health human resources management. Work experience in Asia and the Lao PDR is preferable. The consultant will work closely with the international team leader. The tasks of this specialist will be to

- (i) conduct a situation analysis of the health policy and regulatory environment, including human resources development, licensing and certification, and private sector regulation at all levels;
- (ii) identify through analysis and dialogue with relevant stakeholders the capacity gaps in service delivery and human resources management at all levels in the health system;
- (iii) conduct training needs assessment at the national and subnational levels in the areas of service delivery and human resources management;
- (iv) present and discuss the findings of the analysis with relevant stakeholders;

- (v) assist in the preparation of due diligence documentation in view of future ADB engagement in health sector governance, particularly in health sector assessment and development coordination; and
- (vi) prepare one study or knowledge product on a topic that could be or include human resources distribution and licensing.

B. National Consultants

6. Health system reform specialist, with focus on planning, budgeting, financing, and financial management (national, 7 person-months). The national health system reform specialist will have a strong background in health financing and extensive knowledge of the Lao PDR health system and ongoing reforms. Work experience with international organizations is preferable. The specialist will have training background in economics or a related field and have a master's degree in public health or management. The consultant will be familiar with civil society stakeholders. The specialist will have a strong background and experience in health care planning and budgeting and will focus on health care planning, financing, budgeting, and financial management at the national and subnational levels. He or she will closely collaborate with the team leader and the international health planning and financial management specialist. This consultant will

- (i) provide input in the assessment of planning, budgeting systems, health financing, and health sector management at the national and subnational levels;
- (ii) contribute to the identification of capacity gaps in implementing health planning, budgeting, health financing, and financial management at all levels in the health system;
- (iii) contribute to the preparation of the road map to strengthen policy and regulatory framework;
- (iv) perform stakeholder analysis;
- (v) provide inputs to the strategy to ensure stakeholder support for the health governance reform agenda;
- (vi) guide the process of consultation with the MOH;
- (vii) participate in the stakeholders meeting at national and provincial levels;
- (viii) support the training needs assessments;
- (ix) assist in the preparation of due diligence documentation in view of future ADB engagement in health sector governance, particularly financial and economic analysis and financial management assessment; and
- (x) assist in the preparation of three studies or knowledge products on topics that could include (a) health sector budgeting and financing, (b) assessment of financial management, and (c) health infrastructure and recurrent cost financing.

7. Health system reform specialist, with focus on health service delivery and human resources management (national, 7 person-months). The national health system reform specialist will have a strong background in health service delivery and human resources management and extensive knowledge of the Lao PDR health system and ongoing reforms. The specialist will have training background in medicine, social sciences, or another related field, as well as a master's degree in public health or management. Work experience with international organizations is preferable. The consultant will be familiar with civil society stakeholders. The consultant will closely collaborate with the team leader and the international health service delivery and human resource management specialist. This consultant will

- (i) provide input in the assessment of the health system delivery, including private sector regulation and human resources management at the national and subnational levels;

- (ii) contribute to identifying capacity gaps in implementing human resources management at all levels in the health system;
- (iii) contribute to the preparation of the road map to strengthen the policy and regulatory framework;
- (iv) perform stakeholder analysis;
- (v) provide inputs to the strategy to ensure stakeholder support for the health governance reform agenda;
- (vi) guide the process of consultation with MOH;
- (vii) participate in the stakeholder meetings at national and provincial levels;
- (viii) support the training needs assessments;
- (ix) assist in the preparation of due diligence documentation in view of future ADB engagement in health sector governance, particularly health sector assessment and development coordination; and
- (x) prepare one study or knowledge product on a topic that could be or include human resources distribution and licensing.

8. **Social development and safeguards specialist (national, 3 person-months).** The consultant will have at least 8 years of experience in governance and an academic background in the field. The specialist's tasks will be to

- (i) ensure that the social development standards, gender concerns, and ADB safeguards are properly incorporated in the respective analyses, formulation of policy reform options, training needs assessment, and road maps developed by the TA; and
- (ii) develop relevant documents for a future ADB health sector governance program, namely (a) a draft summary poverty reduction and social strategy, (b) a draft gender action plan, and (c) safeguards documents.

9. **Specialist in communications and stakeholder advocacy (national, 3 person-months).** The communications expert should preferably possess skills with, experience in, and good understanding and knowledge of the Millennium Development Goals and the government's governance agenda. He or she will have practical experience working with the ministries, institutions, and communities in implementing local empowerment and service delivery projects and activities at all levels (national, provincial, local). The consultant will be familiar with civil society stakeholders. The consultant will have practical experience in the production and publication of communication materials and good experience with website preparation and update. The specialist will

- (i) develop strategies and a plan for awareness raising and advocacy activities;
- (ii) develop a detailed plan for communication and advocacy activities;
- (iii) support the MOH in implementing awareness raising and advocacy activities;
- (iv) design public and media campaign programs and materials;
- (v) identify various mediums and channels, e.g., visual aids and printed materials;
- (vi) organize forums to ensure that stakeholders understand and support the health governance reform plan;
- (vii) devise an integrated advocacy and outreach strategy for the project;
- (viii) organize events and outreach activities, such as campaigns, consultation sessions, and public events;
- (ix) ensure the timely and effective management of the communication activities as scheduled;
- (x) craft sound messages and write articles, press releases, and speeches;
- (xi) contextualize key messages, talking points, and briefing notes; and

- (xii) maintain strong links with beneficiaries, media, civil society, the private sector, universities, other development partners, and other stakeholders to ensure the delivery of the project messages to relevant target audiences.

C. Reporting Requirements

10. The team leader will be responsible for ensuring that all TA reports meet a high professional standard. In addition to the specific reports required for each output, she or he will produce the reports described in para. 11 for each output to document and for assessment of TA activities. These reports are to be written in English.

11. With the support of TA consultants, and respecting all confidentiality requirements, the team leader will submit the following reports:

- (i) An inception report (maximum of 10 pages plus appendixes) will provide a clear plan for implementing the TA, challenges to its success, and a summary of the status of TA performance. To the extent feasible, it will provide (a) confirmation of the overall TA rationale and design; (b) adjustments recommended to improve TA performance, including to the consultant terms of reference; and (c) a TA implementation schedule.
- (ii) Quarterly progress notes (maximum of three pages) will inform the government and ADB of the status of TA implementation.
- (iii) A midterm report (maximum of 10 pages plus appendixes) will inform the government and ADB of the status of implementing the terms of reference, plans for achieving the TA objectives, and a personnel schedule with accomplishments under each item of the TA design and monitoring framework. This report will record activities, outputs, and outcomes directly against the design and monitoring framework. It will provide (a) confirmation of the overall TA rationale and design; (b) recommended adjustments to improve TA performance, including to the consultant terms of reference; and (c) a detailed TA implementation schedule.
- (iv) Maximum six months after the inception report, a preliminary design of ADB engagement in health sector governance, including scope, coverage and activities.
- (v) Maximum nine months after the inception report, due diligence documents, including gender and social safeguards, to support future engagement in the health sector program.
- (vi) A draft final report (maximum of 10 pages plus appendixes) will (a) be submitted 2 months before completion of the project; (b) summarize TA activities and results, reporting against the design and monitoring framework; and (c) provide recommendations on any additional steps required to sustain the results of the TA.
- (vii) Four knowledge products maximum 10 months after the inception report.
- (viii) The final report will be submitted by the consultants within 1 month of receipt of the comments on the draft final report from the government and ADB, and will respond to the comments received.

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