



Completion Report

Project Number: 47137-002
Technical Assistance Number: 8576
June 2016

Lao People's Democratic Republic: Health Sector Governance

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TA Number, Country, and Name:			Amount Approved: \$1,000,000	
TA 8576-LAO: Health Sector Governance			Revised Amount: Not applicable	
Executing Agency: Ministry of Health, Lao PDR		Source of Funding: TASF-V	Amount Undisbursed: \$108,592	Amount Utilized: \$891,408
TA Approval Date: 13 Dec 2013	TA Signing Date: 17 Jan 2014	Fielding of First Consultants: 21 Apr 2014	TA Completion Date Original: 31 Mar 2015 Actual: 30 Sep 2015	
			Account Closing Date Original: 31 Mar 2015 Actual: 28 Dec 2015	
<p>Description. The Asian Development Bank (ADB) has helped improve health service delivery and health sector planning in Lao People's Democratic Republic (Lao PDR).¹ In 2013, Lao PDR endorsed the Health Sector Reform Strategy (2013–2020) which aims to achieve the Millennium Development Goals, increase access to basic services and provide universal health coverage. The Government requested for a policy and advisory technical assistance (TA) from ADB to help implement health sector reforms and achieve a broad consensus on a road map for effective implementation. 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 also helped identify options for ADB's future engagement in the sector.</p> <p>Expected Impact, Outcome, and Outputs. The TA impact was the implementation of governance-related policy and institutional reform measures in the health sector. The outcome was a health sector governance reform program formulated and submitted to the government. TA outputs included: (i) policy, regulatory framework and health sector management system reviewed; (ii) roadmap to strengthen policy and regulatory framework and health sector management system developed; and (iii) health sector governance assistance identified and developed.</p> <p>Delivery of Inputs and Conduct of Activities. The TA was implemented for 21 months with a design that included appropriate objectives, terms of reference (TOR), executing arrangements, and implementation schedules. MOH was the executing agency and its Department of Planning and International Cooperation (DPIC) was responsible for TA implementation. MOH provided overall leadership, guided, and coordinated TA activities. TA consultants collaborated with MOH-established technical working groups² and worked intensively with key departments in MOH. ADB and MOH agreed to use an advance payment facility (APF) as this allowed for flexibility in spending, and the MOH has previously demonstrated the capacity to complete activities and liquidate the advance. About 20% of the TA was allocated for office equipment,³ workshops/meetings, and administrative costs.</p> <p>The TA originally planned to provide 18 person-months of international (health sector governance specialist/team leader, health planning and financial management specialists, and health service delivery and human resource management specialist) and 20 person-months of national consulting services (health system reform specialists, social development and safeguard specialist, and communications and stakeholder advocacy specialist). The consultants' TOR provided an adequate framework for hiring the required specialists. Minor changes under the TA were only in the TOR and level of inputs for selected specialists. Two international consultants (finance specialist and safeguards specialist) were also added to the team. In the end, 30.87 person-months of international and 22.13 person-months of national consulting services were provided.</p> <p>Of the 8 consultants, one was rated 'generally satisfactory', one 'excellent' and the rest 'satisfactory' and their collective performance was appreciated by MOH. At MOH's request, all were involved in a complex consultation process with a World Bank (WB) program. As a result, the TA was extended by 6 months to accommodate additional deliverables and the TA team used the extra information for the draft health sector strategy and roadmap. ADB performance is rated satisfactory. ADB flexibly accommodated MOH's requests and seized the opportunity to collaborate with WB in supporting the 2013 Health Sector Reform Strategy (HSRS), just prior to this TA. A total of 4 review missions were carried out. MOH is also rated satisfactory, having provided strong guidance and advice throughout the TA implementation. Counterpart contributions were adequately provided as agreed.</p> <p>Evaluation of Outputs and Achievement of Outcome. The TA was successful in achieving the Design Monitoring Framework outcomes of implementing governance-related policy and institutional reform measures for the health</p>				

¹ 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.

² Members include representatives from Ministry of Health (MOH), Ministry of Finance (MOF), NGOs, DPs including the Luxembourg Agency for Development Cooperation, the Japan International Cooperation Agency, the World Health Organization and the World Bank.

³ Includes laptops, desktops, printers, projector, photocopier, and basic furniture. These were turned over to the government at completion.

sector. The TA is rated as highly relevant and sustainable as it aligns closely with government strategies for the health sector. It also achieved all of its intended outputs, and liquidated the majority of funds under the APF (ADB advanced \$180,993; MOH spent \$156,750 and returned \$24,243 to ADB at the TA completion).

The TA produced: (i) a situational analysis of human resources for health, health sector financing, and government management and coordination which was endorsed by MOH; (ii) a gender-responsive roadmap for the implementation of health sector reform strategy;⁴ and (iii) technical inputs that supported preparation of the subsequent ADB-funded Health Sector Governance Program (HSGP)⁵ which aligns with the TA's target of producing a draft report on gender-sensitive health sector governance assistance. Further, the TA resulted in one draft knowledge product (KP) on health sector financing and finance system reforms. The target was to produce 4 KPs, but this was compensated for by the numerous documents supporting HSGP preparation and processing. Given the wealth of information under outputs 1 and 2, further KPs may be produced in the future.

The TA addressed several gender dimensions. For example, the human resources for health (HRH) report evaluates the Health Personnel Development Strategy endorsed by government in 2010. One recommended strategy contained within is to train and recruit sufficient mix of males and females in the health workforce. The HRH report notes that the gender distribution is in fact skewed towards females (>60% of workforce), and the proportion of male and females in management positions is about equal (50.7% and 49.3%), but challenges in human resource remain, especially in roles which have traditionally been held by women (for example, midwives). The findings of the HRH report have been endorsed by MOH. The Roadmap also calls for a gender focus on health personnel information system, fiscal arrangements and budgeting and implementation of health service delivery. A full review of the existing Free Maternal, Newborn and Child Health scheme, and policy recommendations, is carried out in the health sector financing situational analysis.

Overall Assessment and Rating. The TA was rated successful as it achieved the outcome and outputs, and was closely aligned with the original design. The TA was the logical continuation of ADB's long engagement in the health sector in Lao PDR, which has included investment projects, a health sector development program, HIV and communicable disease control projects. The TA design was highly relevant, as it strongly supported the HSRS and outputs ultimately produced a program supporting the strategy. MOH appreciated the TA inputs, as reflected in their endorsement of the roadmap, in addition to further ADB engagement in health sector reforms. The TA outcome is sustainable given its relevance and consistency with the government's National Health Sector Development Plan for 2016–2020. MOH successfully engaged in constructive dialogue with the provinces and other ministries. Financial management was also satisfactory, and MOH found the APF to be an effective mechanism for fast implementation.

Major Lessons. (1) The complexity of designing HSGP and engaging belatedly with WB explains the 6-month TA extension. In the future, better coordination with donor partners is required in order to minimize changes in design. (2) The TA approach successfully supported HSRS implementation and proved to be an effective bridge between the recent 2013 HSRS reforms and loan pipeline. Using TAs to fill capacity gaps is a good way to maintain government interest in engaging with ADB. (3) While the objectives of the TA were ambitious, consultants, development partners, and the executing agency achieved objectives. Involvement both from within MOH and outside was critical in creating accountability and engagement. (4) Hiring individual consultants allowed for flexibility. (5) Policy based modality was decided upon to align with policy reform objectives.

Recommendations and Follow-Up Actions. Future policy and advisory TA should focus on continued support for health sector governance reforms, while aligning closely with other development efforts. In administering the HSGP, ADB should closely assist the government to implement the findings from this TA. Further TA support in health sector governance will be implemented through the HSGP TA loan (footnote 5), and a proposed TA grant⁶ to strengthen capacity governance reforms.

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⁴ This involved in-depth stakeholder consultations with key MOH departments and other ministries such as MOF. The roadmap identified problems in each reform area, the strategic objective and outcome, as well as key outputs for 2015–2020, responsible agencies and required changes in organization and management. Most importantly, policy dialogue with the government was completed and the roadmap endorsed by the National Commission on Health Sector Reform, who will steer and facilitate implementation of the HSRS.

⁵ ADB. 2015. *Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach, Policy-Based Loan, and Technical Assistance Loan for Subprogram 1 to the Lao People's Democratic Republic for the Health Sector Governance Program*. Manila.

⁶ Technical Assistance to Lao PDR for Strengthening Capacity for Health Sector Governance Reforms, scheduled for approval in September 2016.