

TECHNICAL ASSISTANCE COMPLETION REPORT

Division : EASS

TA No., Country and Name		Amount Approved: \$650,000	
TA 4123-MON: Health Sector Reform		Revised Amount: \$650,000	
Executing Agency: Ministry of Health, Mongolia	Source of Funding: JSF	Amount Undisbursed: \$41,420	Amount Utilized: \$608,580
TA Approval Date: 05 Jun 2003	TA Signing Date: 17 Jan 2004	Fielding of First Consultants: Feb 2004	TA Completion Date Original: Dec 2004 Actual: 30 Nov 2006
			Account Closing Date Original: Jun 2005 Actual: 12 Dec 2006

Description

Mongolia has been undergoing a major public sector reform since the early 1990s. Under the Second Health Sector Development Project (HSDP2), the Government is reforming the health services delivery system, rationalizing the health system, in particular at the hospital level, and accelerating rural health development. However, the health sector has been suffering from weak, inefficient, and fragmented health care financing (HCF) mechanisms (state budget, health insurance), which prevent sustainable health reforms. The Government adopted the Public Sector Management and Finance Law (PSMFL) in 2003 to introduce output-based budgeting (OBB) and increase system efficiency. However, the Government lacks the capacity to implement the law effectively because of a poor understanding on how to operationalize the shift from input to output budgeting. Against this background, the Government of Mongolia requested an advisory TA associated to the HSDP2 to improve HCF and health insurance, and to support implementation of the PSMFL.

Expected Impact, Outcome and Outputs

The overall goal of the TA was to support the Government's initiatives in public sector management and HCF mechanisms. The objectives were to (i) strengthen the Ministry of Health's (MOH) and Ministry of Social Welfare and Labor's (MSWL) understanding and capacity on OBB; and (ii) improve effectiveness and sustainability of the health insurance fund.

The TA had 3 major components:¹

1. Formulating the health sector financing strategy, with expected outputs of: (i) developing a coherent HCF policy framework; and (ii) building capacity in the MOH and the State Social Insurance General Office (SSIGO) to plan and implement HCF mechanisms.
2. Integrating PSFML in the health sector with expected outputs of: (i) costing of health services and the essential health care package; (ii) guiding OBB; and (iii) developing a financial management information system, accounting and reporting,
3. Strengthening social health insurance, with expected outputs of: (i) developing the health insurance strategies; (ii) initiating a common policy framework between the state budget and health insurance; (iii) proposing a pro-poor health insurance mechanism; and (iv) conducting training of staff on social health insurance mandate, procedures and guidelines.

Delivery of Inputs and Conduct of Activities

The TA employed four international and seven national individual consultants. Two firms provided international consultants. The TA activities were carried out in the following stages: (i) System assessment: February 2004 – November 2004; (ii) Advocacy, policy dialogue, and policy-formulation capacity building: November 2004 – August 2005; (iii) TA outputs presentation and consensus building: September 2005 – February 2006; and (iv) TA outputs dissemination, pilot testing, and implementation capacity building: March – December 2006.

The performance of the consultants was generally satisfactory, although levels of quality varied. The overall coordination was carried out by a national TA coordinator and an international technical team leader. Due to

¹ Developing the national health management information system (HMIS) strategy was also a TA component, but this was transferred to the JFICT 9053-MON: ICT for Improving Rural Health Services from May 2005.

