

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

TA No. and Name 2772-PNG : Strengthening Financial Management of the Health Sector			Amount Approved: US\$600,000 Revised Amount: US\$786,000	
Executing Agency DOF	Source of Funding: TASF		TA Amount Undisbursed US\$49,472.43	TA Amount Utilized US\$736,527.57
Date			Completion Date	
Approval 20 March 1997	Signing 20 May 1997	Fielding of Consultants 3 August 1997	Original 31 July 2001	Actual 31 July 2001
			Account Closing Date	
			Original 31 July 2001	Actual 1 September 2002
<p>Description</p> <p>The TA supported the PNG Health Sector Development Program (HSDP) by assisting the Government to strengthen the planning and monitoring of health expenditure.</p> <p>Objectives and Scope</p> <p>The TA objective is to develop planning and monitoring procedures that effectively allocate health financial resources at all levels in accordance with Health Plan priorities, and then monitor these expenditures against health indicators. The TA should be able to link health status indicators with financial decision-making. This is important as the new Organic Law on Provincial Governments and Local Level Governments has redistributed the responsibility and authority for health care across the Department of Health (DOH), provincial divisions of health, and local level governments. The reform program is based on interactive participation of all those institutions, with DOH and Department of Finance (DOF) providing, respectively, the policy directions and resource transfers, while the provincial and local level governments will choose and implement the actual health programs. This requires planning and monitoring procedures that effectively allocate financial resources at all levels in accordance with Health Plan priorities, and then monitor such expenditures against health quality indicators.</p> <p>Evaluation of Inputs</p> <p>The TA provided for 24 person-months of consulting services. To accommodate the difference in implementation schedule between the TA and the Program Loans (1516/1517-PNG(SF)), a first 6-month extension was approved in May 1999. Following the release of the second tranche of the HSDP in December 1999, the Government requested that the TA be extended to help cover the remaining period of implementation of HSDP, involving an additional twelve person-months of consulting services. This extension was to enable the international consultant to accomplish the following tasks: (i) consolidation of progress already achieved in the reform program, (ii) providing for progress in developing the sector program approach of development assistance, and (iii) supporting the development strategies of the DOH.</p> <p>The TA was adequately formulated and provided a critical input in the Program's implementation, although the TORs were subsequently broaden to respond to the demand of the Government.</p> <p>The account was closed late because the TA was piggybacked to the Program Loans (1516/1517-PNG(SF)) and its investment component (1518-PNG(SF)) and had utilized the same consultant of which closing dates also impacted on the completion date of this TA. The performance of the consultant is rated as highly satisfactory.</p> <p>Evaluation of Outputs</p> <p>(i) National and Provincial Health Accounts: At the time of HSDP's approval, decentralized health expenditure was not reported by the provincial treasuries to the DOF. Using HSDP resources and the argument that DOF, DOH and ADB all required public health expenditure monitoring to evaluate performance under the policy matrix, the TA collected this data from all provincial treasuries. The TA assisted DOH and DOF to define a standard health expenditure report with as much information as the available data would allow. Data were reviewed for integrity and where necessary corrections were made. A series of programs were developed to produce the required information, in particular provincial health expenditure under the Government's grants, provincial health</p>				

expenditure from self-generated provincial revenues and the treasury payroll for public servants employed in the public health sector.

This information allowed the production of annual provincial health expenditure and annual public health sector expenditure in standard format.

- (ii) HSDP Secretariat : the TA set up the HSDP Secretariat, which provided an important liaison function, first with relevant divisions within ODF, between the DOF and DOH, and with other Departments and government agencies including the Department of Provincial Affairs and Local Level Government, the Department of Personnel Management and the Auditor Generals Office. It provided support to all Provincial Health Offices and, to a lesser extent, the Provincial Treasuries. The HSDP Secretariat assisted DOH planning/budgeting initiatives and assistance in the provinces and districts. An essential function of the HSDP Secretariat was to provide comprehensive accounting support to the Provincial Health Offices and to the project section of the DOH.

In addition to accounting support, the HSDP Secretariat had an important supervisory function. Field visits and reviews in the provinces covered procurement processes, an evaluation of performance both with respect to public health activities and to procedural requirements, and assistance in the resolution of local management issues. This function has facilitated considerable progress in some Provincial Health Offices to improve upon their overall management skills and to be more effective in their role as a coordinating entity of provincial health services. Importantly, the HSDP Secretariat also provided an effective internal review function of DOH expenditure of HSDP funds, which covered approximately two thirds of all HSDP expenditure. The Secretariat was then able to advise the DOF on the nature of HSDP expenditure ensuring a high degree of transparency.

The HSDP Secretariat also provided support to the Program Coordination Committee, helping to organize and prepare all Program Coordination Committee (PCC) meetings, providing minute-taking and all record keeping, and ensuring the PCC was kept informed of progress and all pertinent issues.

- (iii) Capacity building : through the support provided to establish national health accounts, and the review and support function of the Secretariat, substantial capacity has been built within DOH and DOF.
- (iv) The performance of ADB and EA were satisfactory. Timely and appropriate level of supervision was provided by ADB staff.

Overall Assessment and Rating

The TA is rated as successful. The major problem was the lack of counterpart staff. The TA achieved more than the original scope in terms of support to DOH and DOF.

Major Lessons Learned

Future interventions are likely to be more successful if the commitment of all Government's central agencies is obtained and maintained throughout project implementation.

Recommendations and Follow-Up Actions

It is critical that the functions fulfilled by the Secretariat, i.e. ensuring transparency and accountability at all level of the Government (from national to provincial and district level), be maintained in liaison between DOF and DOH.

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