

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

TA No. and Name 3660-PNG Health Policy Support			Amount Approved: US\$220,000	
			Revised Amount: US\$462,000	
Executing Agency DOH	Source of Funding: TASF and AusAID		TA Amount Undisbursed US\$120,383.50	TA Amount Utilized US\$341,616.50
Date			Completion Date	
Approval 30 May 2001	Signing 16 Jul 2001	Fielding of Consultants 1 July 2001	Original 31 March 2002	Actual 31 December 2003
			Account Closing Date	
			Original 31 March 2002	Actual 26 November 2004
<p>Description</p> <p>The reform process supported by the Health Sector Development Program¹ (HSDP) sought to establish sound management practices for the public service and the delivery of health services. In support of the Department of Health's (DOH) long-term commitment to implementing the sectorwide approach, the TA was to support and help institutionalize the achievements in systems and procedures developed under the HSDP, while addressing core management issues related to transparency, supervision, and audits.</p> <p>Objectives and Scope</p> <p>In line with the National Health Plan, supported by the HSDP, the main objective of the TA was to link health outcomes to financial inputs. Specific objectives included: (i) promoting and helping organize the performance audits within DOH and in the Provincial Health Offices used to review organization, operating procedures, internal controls, supervision, and accountability; (ii) helping implement the recommendations, notably in the area of personnel management, development of procedures and internal controls, supervision guidelines, and evaluation criteria; (iii) undertaking institutional strengthening based on performance audit results; (iv) helping DOH reorganize important administrative sections, including the development of internal control procedures and evaluation.</p> <p>Evaluation of Inputs</p> <p>The TA provided for 12 person-months of consulting service. An individual international consultant with expertise in health finance was engaged to provide support to the implementing agency. The total disbursed amount that accrued to the consultant was US\$341,616.50. The undisbursed TA amount of US\$120,383.50 comprise uncommitted TA portion of \$52,000.00 and unutilized contract balances in the amount of \$68,383.50 corresponding to Contingency, Air Travel and Others – FC.</p> <p>In 2002, ADB endorsed the evolution of the HSDP trust deed² to become the Health Sector Improvement Program Trust Account, which provides for other participating assistance funds, along with ADB's, under the standard financial mechanisms. The Trust Account is one mechanism to facilitate donor support for implementation utilizing PNG's systems – an approach which the Government strongly favors. Capacity to manage the Trust Account in the provinces however was slow to develop and required additional support to the Secretariat into the medium term to become sustainable. In addition to the further inputs in the Health Sector, the Government had requested assistance from the consultant to the Public Sector Reform Management Unit (in the Prime Minister's Department), as the innovation brought in the Health Sector might help organizing its finance and management procedures, in order to achieve progress towards established goals and benchmarks.</p> <p>At the request of the PNG Government, the Government of Australia, through the Australian Agency for International Development (AusAID), subsequently agreed to provide supplementary grant financing, in the amount of US\$ 242,000 equivalent, to expand the scope of the TA and increase the total amount to \$ 462,000.</p> <p>The input of the consultant is rated as highly satisfactory. The performance of ADB and EA were satisfactory. Timely and appropriate level of supervision was provided by ADB staff.</p>				

¹ Loans 1516, 1517, 1518-PNG: Health Sector Development Program, approved 20 March 1997 for a total of \$63 million.

² Health Sector Development Program GoPNG-Fund Trust account, incorporating loans 1516 and 1517.

Evaluation of Outputs

Outputs include:

- Reforming the NDOH internal audit section which had become dysfunctional, providing both purpose and on-the-job supervised training, using the section to assist in the implementation of subsequent reforms (e.g. Review of all NDOH rental agreements and establishment of a NDOH rental policy)
- Assistance in bringing up-to-date the NDOH bank reconciliation, 18 months out-of-date, required by DOF
- Review of the accounts division and the proposal of a new structure, revised procedures and a training program for staff
- Re-engineering the procurement function to limit the number and nature of procurement centers, written procedures for the capital expenditure procurement center, and written procedures for the human resource management (HRM) procurement center
- Assistance in the recruitment of private sector accounting staff
- Assistance in developing regular expenditure reporting for management purposes by the NDOH Senior Executive Management

Improved monitoring and cost benefit reports have been established at the provincial and district levels. These reports have first been tested on a trial mode combining financial information and health information in a single four-page report format, and are targeted at all decision makers in the provinces. Extension and improvement of this system required that all provincial health and treasury staff be retrained on management principles and procedures. Uniform data collection and standard information production has been established, as recommended under the Financial Management Improvement Program. The Information Technology Division (in DOF) has received specific assistance to produce standard health expenditure information, used by the national and provincial health boards, the provincial and district health offices, and the corresponding levels of political leaders.

Overall Assessment and Rating

The program of external audits has contributed much to broadening public sector recognition that governance issues are at the heart of poor performance levels in the health sector. The TA is rated as successful.

Recommendations and Follow-Up Actions

Supervision and support by the TA of the Provincial Health Offices has been very beneficial. However, there is a need to take this process further down the public health infrastructure pyramid to the districts and health facilities. Indeed, experience has revealed that the basic principles upon which functioning organizations and management are grounded are frequently lacking. These principles and their practical applications are best taught in an on-the-job, hands-on environment. The DOH, which has a vested interest in improving performance at the decentralized level, should itself devote greater human resources and time to this function.

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