Lao People's Democratic Republic: Improving the Quality of Health Care Project

Project Name: Improving the Quality of Health Care Project
Project Number: 53291-001
Country / Economy: Lao People's Democratic Republic
Project Status: Approved
Type / Modality of Assistance: Loan
Source of Funding / Amount: Loan 4337-LAO: Improving the Quality of Health Care Project
Concessional ordinary capital resources lending US$ 45.00 million

Operational Priorities:
OP1: Addressing remaining poverty and reducing inequalities
OP2: Accelerating progress in gender equality
OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
OP6: Strengthening governance and institutional capacity

Sector / Subsector: Health / Health system development
Gender: Effective gender mainstreaming

Description: The proposed project will enhance the Ministry of Health (MOH)'s capacity to deliver high-quality health care, with a focus on expanding quality healthcare services in provincial and district health facilities. Quality health care is a key component of effective universal health coverage (UHC) under the Sustainable Development Goals (SDGs) and Lao Health Sector Reform (HSR), 2013-2030. Quality health care and responsiveness to patients' preferences encourages people to seek care, and results in enhanced health outcomes. The project will (i) help design and make operational a quality governance mechanism; (ii) enhance quality assurance for health professional education institutions (HPEIs) and health human resources (HHRs); (iii) upgrade existing district hospitals and HPEIs; and (iv) improve health facility management through management training, continuous quality improvement (CQI) cycles and health information systems. The project will be implemented in 16 districts in 10 provinces of the Lao PDR and is expected to directly benefit 1.6 million inpatients and outpatients each year, particularly poor patients from rural districts, women, elderly people, people with a disability, and members of ethnic minorities, all of whom rely on public health care.4 It builds on previous Asian Development Bank (ADB) programs, and will support HSR Phase III (2021-2025) and Phase IV (2026-2030).

Project Rationale and Linkage to Country/Regional Strategy:
The proposed project will contribute to the HSR's Phase III (2021-2025) and IV (2026-2030)'s thrust to expand quality essential health services in local facilities (district hospitals and below). The project aligns with the operational priorities (OP) of ADB’s Strategy 2030; (i) addressing remaining poverty and reduce inequalities (OP1), by pursuing UHC and reducing health vulnerabilities; (ii) accelerating progress in gender equality (OP2), by enabling women to pursue health professional education opportunities, participate in QHC governance, and by addressing their unmet health needs; (iii) tackling climate change, building climate and disaster resilience, and by enhancing environmental sustainability (OP3) through climate-smart design of civil works; and (iv) strengthening governance and institutional capacity (OP6), by developing and operationalizing QHC, personnel, and hospital management policies. The project also contributes to priority 2 (enhanced human development) of ADB’s 2017-2020 country partnership strategy for the Lao PDR and its extension.

Impact: Sustainable Development Goals related to the health sector achieved by 2030

Project Outcome
Description of Outcome: Foundations for high-quality health care strengthened and utilization of health services increased
Progress Toward Outcome
Implementation Progress
Description of Project Outputs: Governance mechanisms for quality assurance and CQI enhanced
HHRs to deliver quality health services strengthened
Quality and management of health facilities boosted

Status of Implementation Progress (Outputs, Activities, and Issues)
Geographical Location: Nation-wide

Safeguard Categories

| Environment | B |
| Involuntary Resettlement | C |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation
The project includes 20 consulting services packages (19 individual consultant packages and 1 consulting firm packages). All packages will undergo OCB arrangement with prior review from ADB. The design and construction supervision consulting firm will be engaged using quality-cost-based selection (90:10 quality-cost ratio). Advance contracting is proposed for the national design and construction supervision firm, the accounting firm, the CTA, the international architect, the program manager/deputy CTA, the international procurement specialist, the national procurement specialist, the national project administrator, and the national planning, budgeting and M&E assistant.

Advance contracting will involve selection of key PMU consultants and the design and construction supervision firm for civil works up to, but not including, contract signing. Given the current capacity of the borrower, additional advance contracting support may be required to enable timely mobilization of consultants and procurement.

The project includes 8 civil works packages, 15 goods packages, and 3 non-consulting service packages. Most of the civil works and goods packages, and all vehicles, will rely on open competitive bidding (OCB), except for specific readily available, simple, low-risk goods and non-consulting service packages, which will be procured using RFQ. Prior review will be made on (i) the packages using OCB with international advertisement, (ii) first two works and first goods packages using OCB with national advertisement, and (iii) first package using RFQ. The rest of the works and goods packages will be under post-sampling review. Three packages for non-consulting services will be procured using RFQ.

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