SECTOR ASSESSMENT (SUMMARY): HEALTH

A. Sector Performance, Problems, and Opportunities

1. **Health service delivery.** Papua New Guinea (PNG) has a population of about 8 million, of which 85% live in rural areas. The population is young (97.27% under 65 years in 2011) and the national growth rate high (2.83% in 2011).[1] The core problem is an ineffective and inefficient health care system. It undermines the coverage, affordability, and quality of vital health services; leads to poor health outcomes, which in turn hamper human development, livelihoods (jobs or incomes), and economic growth; and reduces people's life expectancy and quality of life (Problem Tree, p. 5).[2] Health budgets are declining; investment in human capital is limited; health governance and management, and information to support decision making, are inadequate; health infrastructure is decaying; drug shortages are frequent. Access to health services can be constrained by limited financial resources, difficult terrain, weather, natural disasters, cultural issues, and personal security, including from tribal fighting.[3]

2. Health services are mainly publicly funded, delivered by government and church providers, and funding streams are fragmented and often incomplete. Government-provided primary health care services are free of charge (since 2014). The government subsidizes some specialized public hospital services, and 50% of church-provided health services.[4] Health services are being decentralized to provincial health authorities (PHAs), a model aimed to improve rural health service delivery.[5] About 20 private health facilities provide inpatient and outpatient services.[6] Larger private companies provide on-site basic health care for employees and their families.[7] Traditional medicine and healers also play a role, particularly in rural areas.

3. **Financing.** Health care financing is the mobilization of funds and their allocation to regions, populations, and specific health services. A correlation exists between the quantum of funds available for health and PNG's gross domestic product, which dropped from 12% in 2015 to 2% in 2017, mainly owing to a collapse in global commodity prices and internal natural disasters. The fiscal space for health consequently declined, undermining health service delivery. To maintain services, some health facilities charge patients despite the government's free health policy. In 2012, three quarters of health workers paid some costs from their salaries (footnote 2). Financial management, the efficient and effective management of funds allocated, is weak in the PNG health sector, compounding the impact of the lower health budget.

4. **Health indicators.** PNG has the lowest life expectancy in the Pacific region and did not achieve the Millennium Development Goals for maternal and child health. Between 1990 and 2015, the PNG Human Development Index rose by 43%; despite this, the 2015 PNG ranking was

---

[1] Government of PNG. 2011. *National Census.* Port Moresby. Only 2011 Census data is available. The country's data collection for births and deaths is weak, and registration of either is low.

[2] World Health Organization. 2012. *Health Service Delivery Profile. Papua New Guinea.* Manila; Government of PNG. *2011 National Health Plan*. Port Morseby;

[3] World Bank. 2017. *The World Bank in Papua New Guinea.* Washington, DC; Government of Papua New Guinea. 2012. *Promoting Effective Public Expenditure*. Papua New Guinea National Research Institute and Australian National University's Development Policy Centre. Port Moresby and Canberra; and footnote 2.

[4] World Health Organization. 2016. *Country Cooperation Strategy 2016–-2020*. Manila; Government of PNG. 2014. *Free Primary Healthcare and Subsidized Service Policy*. Port Moresby; and footnote 2.

[5] Government of PNG. 2015. *Independent Review. Provincial Health Authority. Management and Structures.* Port Moresby; ADB. 2016. *Midterm Evaluation Report*. Manila; Government of PNG. 2007. *Provincial Health Authority Act.* Manila. Three PHAs were set up originally, now there are nine, and a national rollout is scheduled for 2018.

[6] Mainly in Port Moresby and Lae.

[7] Data is from in-country consultations in 2017 in New Ireland, West New Britain, and from the Department of Health.

154th out of 188 countries.[8] Health sector performance and national health indicators declined overall between 2012 and 2016.[9] Family planning rates also declined from 70% in 2012 to 43% in 2013, then rose to around 80% by 2016 after concerted efforts (footnote 11). More than 50% of women have an unmet need for modern methods of contraception, a need compounded by the largest cohort of young people in the history of PNG entering their reproductive years.[10] Maternal and infant mortality rates and communicable diseases account for 60% of the burden of disease.[11] Supervised births declined nationwide from 44% in 2012 to 40% in 2016, but regional variations are significant—in Gulf Province they fell from 39% to 21% over the same period. Financial constraints have also reduced the number of outreach clinics, and some rural health indicators have declined e.g., measles immunization in children less than 5 years old fell from 34% nationally in 2012 to 29% in 2016 (footnote 11).

5. **Gender.** Gender inequality is a major development challenge in PNG, as indicated by family planning issues. As well, violence against women is high, and the systems of family and community relationships often exclude women from leadership and decision-making roles. A 2011 national study found that men were almost twice as likely as women to hold a wage job in the formal sector (40% of men compared with 24% of women). Women in formal sector jobs reported an average net monthly pay less than half that reported by men ($211 for women and $435 for men).[12]

6. **Information and technology**. The Government of PNG is adopting digital systems in health to improve planning, monitoring, and management.[13] These include a national health information system, a system for medicine supply logistics, and a health workforce management system. The government is also working toward a single integrated financial management system to replace the several currently used. Access to mobile technology is widespread and increasing. Internet connectivity is variable and expensive. Both mediums are used for digital health information collection and transfer, but connectivity and costs are constraints.

7. **Drugs and medical supplies.** The Department of Health (DOH) is responsible for the procurement and distribution of drugs, and other medical supplies. Costs are high compared with international market prices. Distribution is outsourced to seven different logistic distributors, and stockouts are frequent. PNG has no pharmaceutical manufacturing, and no pharmacovigilance system to assess and improve the safety of drugs. The challenges to improve costs and distribution are many and complex.[14]

8. **Health workforce.** A health workforce supply crisis is looming in PNG as a result of (i) an ageing workforce; (ii) limited pre-service training to replenish the workforce; (iii) curriculum

---

[8] United Nations Development Programme (UNDP). 2016. *Human Development Report. Briefing notes for countries on the 2016 Human Development Report*. New York.

[9] Government of PNG. 2015. *Health Sector Performance Annual Review.* Port Moresby; Government of PNG. 2016. *Health Sector Performance Annual Review.* Port Moresby. Annual health indicators are classified as outcomes, outputs, process, or inputs; an outcome example is malaria incidence per 1,000 population; an output example is family planning use; a process example is proportion of aid posts open; and an input example is total budget allocation.

[10] Family Planning 2020. *Papua New Guinea. FP2020 Core Indicator Summary Sheet: 2016*; Government of PNG. 2014. *Family Planning Policy*. Port Moresby.

[11] These include pneumonia, malaria, tuberculosis, and diarrheal diseases.

[12] Government of PNG. 2011. *Country Gender Assessment*. Port Moresby.

[13] World Health Organization. 2008. *Second edition. The Health Metrics Network Framework and Standards for Country Health Information Systems.* Geneva.

[14] USAID Global Health Supply Chain Program. 2016. *Market analysis of medicines and medical supplies in Papua New Guinea*. Washington, DC. The PNG Essential Drug List currently numbers more than 5,000 drugs.

weaknesses; (iv) no systemic in-service training, particularly on rural health; (v) increasing demand; and (vi) poor attraction and retention strategies such as wages and accommodation. Health workforce and demographic data is limited. Survey data in 2009 showed that the production of newly qualified staff was below health workforce attrition rates, and there was one doctor to 17,068 people compared with 1:1,000 in Fiji and 1:302 in Australia.[15]

9. **Health infrastructure and referrals.** Most hospitals and health facilities are old, poorly maintained, do not meet national health standards, and have functional layouts that do not support patient safety. The government is responsible for capital investment. In 2012, 67% of surveyed health facilities and 77% of health worker accommodations required rebuilding or maintenance. A little over half the health clinics had year-round access to water, some 40% had electricity and refrigeration, 30% had access to fuel, about 20% had beds with mattresses and a kitchen, and only 33% had the ability to make patient transfers (footnote 8). The 32 community health posts constructed through the current Rural Primary Health Services Delivery Project (Rural Health Project) meet national standards and provide clean water, electricity, security, and staff housing to improve the quality of health service delivery.[16]

10. **Partnerships.** The government has a public–private partnership policy for capital investments greater than $15 million in innovative and cost-effective options for health service delivery.[17] Formal partnership possibilities in provinces are illustrated by partnership examples in New Ireland: with (i) church providers, integrating their services within the PHA structure; (ii) local mining and palm oil industries for primary health care (PHC); (iii) Australian Doctors International, whereby volunteer doctors do health patrols; and (iv) PNG's largest bank, Bank South Pacific, which donated $15,540 in 2017 for PHC, including immunizations, antenatal care, and dental services. Oil Search, which controls more than 60% of PNG's oil and gas assets, is working with DOH to combat HIV/AIDS, malaria, and tuberculosis through its Oil Search Foundation, and to support health system development in two provinces.

B. Government Sector Strategy

11. **Health system development.** The government aims to improve health funding efficiency and spending accountability through its (i) Medium Term Fiscal Strategy 2017–2021, and (ii) the national rollout of a single integrated financial management system for public financial management. The government also aims to enhance health management, health information, and regulation efficiency; achieve sustainable financing and equitable distribution; address the health workforce crisis; and improve the quality of and access to primary health care, including through better infrastructure and referral systems.

12. To help achieve this, the government has aligned its national development plans—the 2017 100-Day Economic Stimulus Plan; the Medium Term Development 2, 2016–2017; Vision 2050; the National Strategic Plan 2010–2050; the Development Strategic Plan 2010–2030; the

[15] Government of PNG. 2009. *National Headcount Survey.* Port Moresby; World Bank. 2011. *Papua New Guinea Health Workforce Crisis: A Call to Action.* Washington DC; ADB. 2016. *Country Partnership Strategy: Papua New Guinea, 2016–2020*. Manila.

[16] Asian Develoment Bank (ADB). 2011. *Report and Recommendation of the President to the Board of Directors:* Proposed Loan and Administration of Grant and Loan Papua New Guinea: Rural Primary Health Services Delivery Project. Manila

[17] For example, Port Moresby Kauger's Health Services was upgraded in 2014 to a partnership between government, private sector, and church.

Medium Term Fiscal Strategy 2017–2021; and the National Health Plan (NHP) 2011–2020.[18] Numerous laws, policies, and standards support health system development, such as the Free Primary Healthcare and Subsidized Specialist Care Policy, the Public–Private Partnership Policy, the Provincial Health Authority Act, and the National Health Service Standards 2011–2020 (footnotes 2, 3, and 4). Health workforce planning is a focus but data is weak. The government is recruiting Cuban doctors in 2018, and increasing the supply of local doctors and nurses.

C. ADB Sector Experience and Assistance Program

13. **Health sector support.** The Asian Development Bank (ADB) has had a development partnership with the government since 1971, and supported the health sector since 1997 with a sector development program loan to assist the implementation of the NHP 1996–2000. In 2006, it extended a project grant to limit the spread of HIV/AIDS, and in 2011 for the ongoing Rural Health Project to improve rural health service delivery, digital information systems, management capacity, and rural health facility infrastructure. The proposed next ADB health sector investment builds on this project, aligns with the NHP 2011–2020, and supports progress toward universal health coverage.[19]

14. **Partnerships.** The 2017 evaluation of the HIV/AIDS Prevention and Control in Rural Development Enclaves Project 2006–2016 (cofinanced by ADB and the governments of Australia and New Zealand) showed that successful partnerships with nonstate service providers in rural areas were critical to improve access to and quality of health services.[20] The Rural Health Project has built on this partnership approach, and partnership is a foundation of the proposed ADB health sector investment in PNG.

15. **Proposed new investment.** ADB will assist government efforts to improve funding efficiency, accountability, and health service delivery through program lending targeting an integrated approach to health system strengthening, based on partnerships between provinces, districts, and other stakeholders The proposed sector development program will include (i) three policy-based subprograms (each $100 million, total $300 million) that allow chronological sequencing of reforms; and (ii) an investment project ($95 million) that builds on the Rural Health Project, and supports the operationalization of the policy reforms.

16. Specifically, the proposed new investment will include support for (i) streamlining health funding, its equitable distribution and more effective management; (ii) strengthening medicine procurement and distribution; (iii) improving governance (corporate and clinical) and management; (iv) supporting the national rollout of health information systems and the effective use of information; (v) increasing health knowledge and health-seeking behaviors of community members; (vi) supporting gender equality; and (vii) building new district health infrastructure.

---

[18] Government of PNG. 2011. *Vision 2050*. Port Moresby; Government of PNG. 2010. *National Strategic Planning 2010–2050*. Port Moresby; Government of PNG. 2016. *Medium Term Development Plan 2 2016–2017*. Port Moresby; Government of PNG. 2011. *National Health Plan 2011–2020*. Port Moresby; Government of PNG. 2017. *Medium Term Fiscal Strategy 2017–2021*. Port Moresby.

[19] Universal health coverage is, at its simplest, affordable access to adequate health services of the right quality.

[20] Independent Evaluation Department. 2017. *Independent Evaluation. Papua New Guinea: HIV/AIDS Prevention and Control in Rural Development Enclaves.* Manila: ADB. The evaluation also showed that the project made a substantial contribution not only to HIV prevention and care but also to improving overall PHC services in rural communities within the economic enclaves.

PROBLEM TREE