RESTRICTED

TAR:PNG 26323

ASIAN DEVELOPMENT BANK

TECHNICAL ASSISTANCE

TO

PAPUA NEW GUINEA

FOR THE PREPARATION OF A

HUMAN RESOURCES DEVELOPMENT PROJECT IN THE HEALTH SECTOR

February 1994

CURRENCY EQUIVALENTS
(as of 7 January 1994)

Currency Unit	-	Kina (K)
K 1.00	-	$1.02
$ 1.00	-	K0.98

ABBREVIATIONS

AIDAB	-	Australian International Development Assistance Bureau
BME	-	Benefit Monitoring and Evaluation
CHE	-	Commission for Higher Education
CHW	-	Community Health Worker
CMC	-	Churches Medical Council
DOH	-	Department of Health
DPM	-	Department of Personnel Management
DFP	-	Department of Finance
HEO	-	Health Extension Officer
HRD	-	Human Resources Development
NGO	-	Non-Governmental Organization
NO	-	Nursing Officer
PPTA	-	Project Preparatory Technical Assistance
PDOH	-	Provincial Division of Health
PNG	-	Papua New Guinea
UPNG	-	University of Papua New Guinea

NOTES

(i) The fiscal year (FY) of the Government ends on 31 December.
(ii) In this Report, "$" refers to US dollars.

I. INTRODUCTION

1. During the Country Programming Mission in July 1993, the Government of Papua New Guinea (PNG) requested the Bank to provide project preparatory technical assistance (PPTA) to prepare a Human Resources Development Project in the health sector. A Fact-Finding Mission visited PNG from 18 November to 10 December 1993 to review the preparatory work already undertaken by the Government and the activities of other aid agencies, and to assess the need for the PPTA. The Mission held discussions with key officials of the Department of Health (DOH), the Department of Finance (DFP), other relevant Departments and aid agencies and reached an understanding on the scope, terms of reference, cost and implementation arrangements for the PPTA [1/].

II. BACKGROUND AND RATIONALE

2. The Bank's health sector strategy in PNG focuses on the expansion of basic family planning and health care services to poorly served areas and the promotion of sustainable health care delivery. The Bank has been active in the health sector since 1982 and has financed five projects in the health sector, three of which have been completed[2/]. Limited assistance to aspects of human resources development (HRD) has been provided under the three rural health services projects, but HRD has not been the focus of previous Bank assistance. Two recent advisory TAs have both highlighted the critical need for a sustained emphasis on HRD and have provided significant preparatory work for the proposed HRD Project [3/]. Coordinated planning, production and management of human resources is central to the implementation of the health sector strategy. A focus on human resources is consistent with the broader strategic objectives of the Bank in PNG and responds to the Government's concerns regarding institutional strengthening and quality improvement.

3. The performance of the health system is largely dependent on the performance of the people who provide the health and medical services. Human resources account for more than 70 per cent of the recurrent budget of DOH and personnel-related costs are the largest health sector expenditures made by the Government. Despite this, HRD has attracted little attention since Independence in 1975. Investment in the health sector has emphasized infrastructure to expand the health services to underserved areas without adequate attention to ensuring that the quality of those services is maintained through the deployment of well-qualified and adequately supervised staff.

1/ The TA first appeared in the ADB Business Opportunities in October 1993.

2/ Rural Health Services Project (Loan 586-PNG), Second Rural Health Services Project (Loan 746/747-PNG), Third Rural Health Services Project (Loan 1097-PNG), Special Interventions Project (Loan 1054-PNG) and Population and Family Planning Project (Loan 1225-PNG).

3/ TA 1557-PNG: Strengthening Monitoring of Health Services Delivery, for $350,000, was approved on 5 September 1991 to design a plan for quality assessment and assurance (which incorporates a large HRD component) and was completed in April 1993. TA 1875-PNG: Review of Health Services Delivery, for $100,000, was approved on 28 April 1993 to develop implementation plans for key areas of health sector reform (including human resources planning and information systems). This TA was completed in October 1993.

4. As a result, PNG is facing critical human resource problems: (i) shortages of several categories of health worker; (ii) unequitable distribution of existing health workers; (iii) present staffing densities and mixes that do not result in the efficient production of health services; (iv) poorly trained and inadequately supervised health workers; and (v) inadequate conditions of employment (e.g. pay, vacation and sick leave, pension, opportunities for advancement and other benefits), which reduces the motivation for health workers to provide dedicated and continued service.

5. To begin to address these problems, PNG must develop a coordinated HRD system for the health sector. The three essential components of the system are human resources planning, production and management. Overall responsibility for human resources planning and production lies with DOH, even though most of the health workers are employed by the Provincial Divisions of Health (PDOHs).

6. Human resources planning involves the process of estimating the number of persons and the kinds of knowledge, skills, and attitudes they need to achieve predetermined health targets and health status objectives. It also includes formulating human resources policies. Over the past 15 years there have been several unsuccessful attempts at human resources planning in PNG. These attempts were not sustainable, did not build on past work, were not comprehensive, and were not linked to a comprehensive, regularly updated, personnel data base. The capacity to undertake human resources planning is virtually nonexistent in the health sector: there is little technical expertise, a well-developed human resources information system does not exist and the locus of responsibility is not well-defined.

7. Human resources production encompasses all aspects of the basic and post-basic education and training of health workers. The production system includes all the educational and training institutions, which increasingly is a joint responsibility of service and educational institutions. Most basic preservice training in PNG is carried out under DOH in partnership with non-governmental organizations (NGOs), except for medical officer training, which is conducted by the University of Papua New Guinea (UPNG). In a few cases, basic preservice training is contracted outside the country. Preservice training efforts have started at different times, have developed as independent learning programs, have been under different controlling bodies, and have often operated independently. Curriculum development does not follow standard approaches in either design or implementation. The management of the training institutions does not follow standardized procedures, the faculties are generally weak, and many training institutions are run down and the quality of their operations is at very low levels. Post basic training is limited and is provided through DOH, UPNG and overseas programs.

8. Human resources management includes the mobilization, motivation and development of human beings for work. It covers all matters related to the employment, and motivation of all categories of health workers. It largely determines the productivity, and therefore the coverage, of the health services system and its capacity to retain qualified staff. It also encompasses programs for in-service and continuing professional education, as well as evaluation. Human resources management in PNG is very poor and most of the functions are largely limited to personnel administration. Decentralization of health services management to the Provincial Divisions of Health (PDOHs) has also introduced serious constraints to monitoring staff requirements, deployment and staff effectiveness. In-service training and supervision are conducted by DOH and church organizations, which have operated in an ad hoc manner with no master plan, no management oversight and no evaluation of effectiveness. Recent evidence has shown that the clinical skills of health workers in the rural areas are seriously deficient.

9. PNG's continuing high annual population growth rate of 2.3 per cent, the increasing demands of the population and the exponential growth in health technology will exacerbate these already serious problems. There is an urgent need to develop a concerted and focused plan to improve the planning, production and management of human resources in the health sector. In September 1992, the Minister for Health appointed a Task Force composed of senior DOH staff and outside experts to identify the most pressing health sector problems and to outline recommended courses of action. A key area identified was the need for a HRD program. During the midterm review of the National Health Plan (1991-1995) in July 1993, DOH also identified HRD as a priority for the remainder of the Plan period. The DOH has made a firm commitment to making improvements to all aspects of HRD and has established a HRD Working Group to develop plans for systematically improving personnel policy and management. To sustain HRD activities in the longer term, DOH has also prepared a plan for a Human Resources Division and submitted it to the Department of Personnel Management (DPM) for approval.

10. There has been relatively little attention to HRD issues by the external aid agencies. The World Health Organization (WHO) maintains a fellowship program, which funds long-term and short-term training. The Australian International Development Assistance Bureau (AIDAB) supports a medical officers training project (1991-1995), which includes a visiting medical specialist program, a hospital attachment program and a registrar exchange program. A hospital improvement project funded by AIDAB, which will include strengthening of human resources management in hospitals is expected to commence in 1994. AIDAB has also recently completed an overview study of the health sector, which highlighted HRD as a priority area for future assistance. Subject to the Government's endorsement of the study, there may be a potential for the Bank to cooperate with AIDAB in the design and financing of a comprehensive approach to HRD in the health sector.

11. The PPTA will provide the basis for a sustained effort by DOH to improve human resources planning, training and management. The design of a sustainable, long-term strategy for HRD in the health sector in PNG will be central to accomplish future activities in the sector. The outputs of the PPTA will also provide a basis for the formulation in the HRD section in the National Health Plan (1996-2000).

III. THE TECHNICAL ASSISTANCE

A. Objective

12. The PPTA will develop a Project that will improve the planning, production and management of human resources for the health sector. The ultimate objective is to ensure that DOH is able to deliver and maintain quality health services by providing appropriately skilled and motivated health workers to support improvements in the health status of the population, particularly women of reproductive age and children under five years of age in the rural areas.

B. Scope

13. The PPTA will: (i) develop a practical, operational and integrated system for human resource planning, production and management; (ii) develop the capabilities of national and provincial staff to operate these systems; (iii) support institutional development of a Human Resources Division within DOH as an organizational focal point for these new and improved systems to ensure sustainability.

HRD has not been the focus of previous Bank assistance. Two recent advisory TAs have both highlighted the critical need for a sustained emphasis on HR

14. The Project will encompass institutional strengthening for the proposed HRD Division of DOH, establish the HRD planning system for HRD, upgrade health worker training institutions and introduce systematic improvements to the supervision and management of rural health workers. Improvements will also be made to the information system linking the manpower requirements of PDOHs and the production of health workers by DOH.

C. Cost Estimates and Financing Plan

15. The total cost of the PPTA is estimated at $326,000 equivalent of which $253,000 is the foreign exchange cost and $73,000 equivalent is the local currency cost. Bank financing for the PPTA will be $296,000, which will cover the entire foreign exchange cost and $43,000 equivalent of the local currency cost. The PPTA will be financed by the Bank on a grant basis. The PPTA will be charged to the Bank-funded technical assistance program. The Government has agreed to meet approximately $30,000 equivalent of local currency costs. The detailed cost breakdown is in Appendix 1. The detailed scope of the Project will be determined during the PPTA, however, the indicative cost of the Project is approximately $ 35 million. The Government has been informed that approval of the PPTA does not commit the Bank to finance any ensuing project.

D. Implementation Arrangements

16. The services of three internationally recruited individual consultants for a total of seven person-months, will be required to carry out the PPTA. The terms of reference are in Appendix 2. The consultants will be recruited by the Bank in accordance with the Bank's Guidelines on the Use of Consultants. The consultants will have the following areas of expertise:

Individual Consultants	Person-months
Human Resources Planning Specialist (Team Leader)	3
Health Worker Training Specialist	2
Human Resources Management and Supervision Specialist	2

As far as possible, the consultants will confer and coordinate their activities with the staff development specialist financed under the Third Rural Health Services Project.

17. The PPTA will be undertaken over a three month period. At the end of third week, the team leader will present an inception report highlighting progress made, initial findings, and proposed adjustments to the work program. At the end of eighth week, the consultants will present a draft final report for review by the Government and the Bank at a consultative workshop to be held during the ninth week. Comments made at that meeting will be incorporated by the consultants in a final report to be presented to the Government and the Bank at the end of twelfth week.

18. The DOH will be the executing agency for the PPTA. The consultant team leader will report directly to the Secretary for Health and the Senior Executive Management of DOH. The DOH will appoint a PPTA coordinator to work full time with the consultants. The HRD Working Group will be expanded to include PDOH program managers, DPM, representatives of professional bodies, training institutions and the Commission for Higher Education (CHE) and will act as a steering committee for the PPTA.

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated him by the Board, has approved the provision of technical assistance to the Government of Papua New Guinea in an amount not exceeding the equivalent of $296,000 for the purpose of preparing a Human Resources Development Project in the Health Sector, and hereby reports his action to the Board. This technical assistance will be financed initially as a grant, but will be subject to the reimbursement arrangements set forth in Board papers on Technical Assistance Operations (Doc. R51-77, dated 20 May 1977) and Streamlining of Technical Assistance Operations (Doc. 44-88, dated 21 March 1988) including the provision that in the event of the technical assistance resulting in a loan from the Bank, the Bank may charge against, and recover from, such loan that portion of the initial grant that exceeds $250,000.

Appendix 1

COST ESTIMATES AND FINANCING ARRANGEMENTS
($)

	Foreign Exchange Costs	Local Currency Costs	Total
I. **FINANCED BY THE BANK**			
Consultants	155,000	11,000	166,000
Equipment	6,000	0	6,000
Seminar, Conference, Workshop			0
Training and Fellowships	40,000	23,000	63,000
Studies, Surveys and Reports	8,000		8,000
Contract Negotiations	6,000		6,000
Miscellaneous TA Administration		2,000	2,000
and Support Costs			0
Contingencies (15 per cent approximately)	38,000	7,000	45,000
Total (I) – Bank Financing	**253,000**	**43,000**	**296,000**
II. **FINANCED BY THE GOVERNMENT**			
Consultants		0	0
Equipment		0	0
Seminar, Conference, Workshop		0	0
Training and Fellowships		18,000	18,000
Studies, Surveys and Reports		0	0
Contract Negotiations		0	0
Miscellaneous TA Administration		0	0
and Support Costs		8,000	8,000
Contingencies (15 per cent approximately)		4,000	4,000
Total (II) – Government Financing		**30,000**	**30,000**
GRAND TOTAL (I+II)	**253,000**	**73,000**	**326,000**

(Reference in text: page 4, para. 15)

TERMS OF REFERENCE FOR THE CONSULTANTS [1/]

Human Resources Planning Specialist (Team Leader)

1. The consultant will report to the Secretary for Health, and will work with the appointed PPTA coordinator under the direction of the HRD Working Group. Close liaison will be maintained throughout with other concerned agencies including DPM, CHE, the Churches Medical Council (CMC), WHO and AIDAB.

2. The consultant will:

   (i) Assist DOH as required in the planning for and implementation of a Human Resources Division. Provide advice in the structure, functions, staff training requirements and other requirements to establish an operational institutional focal point for HRD activities.

   (ii) Through analysis and discussion, achieve agreement with the Government (primarily DOH and DPM) on what the work force planning system must include to produce realistic total and DOH specific work force requirements. The consultant will:

      (a) Assess the existing Government work force planning processes and experience, including, but not limited to those of DPM, Department of Finance and Planning (DFP) and CHE and assess their adequacy for the human resources planning needs of the health sector;

      (b) Assess the past DOH work force planning processes and experiences and identify how these can be improved; and

      (c) Define the general current and projected health work force requirements and general needs for a national human resources planning and control system for the health sector.

   (iii) Analyze the specific work force planning system requirements and constraints. This will include:

      (a) Considering central Government policies on work force development and expansion, such as the National Higher Education Plan and the National Training Policy;

      (b) Analyzing DOH health services policy including the directions it is expected to move on the spectrum of facility based care to home care;

1/ The consultants will refer to the Bank's Guidelines for Health Impact Assessment of Development Projects (ADB Environment Paper No. 11) to provide guidance on the incorporation of environmental aspects of health management.

(c) Defining the planning interfaces with the work force production functions of education and preservice training; provincial requirements; and with personnel management (including: selection and recruitment; operational supervision and support; reward subsystems; transfers and promotions; administration of personnel actions; career development; in-service training; and long leave/termination management).

(iv) Analyze the specific health work force planning system requirements, constraints and future influences. These analyses will include: demographic change, geographic distribution of the population, decentralization, general education improvement, utilization of modern health services, impact of economic growth of PNG, epidemiological transition, predicted technological change, national health policy, and health care delivery system requirements.

(v) Outline the requirements to develop a human resources planning and information system for health serving multiple functions. Consideration should include: consistent system design and usage; standardized methods and procedures; clear and concise terminology and language; priority of data quality over quantity; analysis of trends rather than points; interface with production and management systems.

(vi) Conduct consultations with district, provincial, regional and national DOH staff, professional bodies and other interest groups (NGOs, women's groups) on the options for the system. These consultations should include WHO, AIDAB, CHE, DPM and the CMC at a minimum.

(vii) Review the experiences of previous Bank Projects in the health sector and post-evaluation findings and incorporate the lessons learned in the Project design.

(viii) On the basis of the aforementioned analysis and consultation, develop a practical, detailed, time limited implementation plan for the proposed Project with detailed cost levels. This plan should include the requirements to develop an institutional capability at national and provincial levels to operate and maintain the system.

(ix) Define key indicators to monitor Project progress and achievement of objectives. Outline how project benefit monitoring and evaluation (BME) will be implemented and prepare detailed cost estimates for BME.

(x) Coordinate and direct the work of the other consultant team members and represent the team at HRD Working Group meetings and liaise closely with the Secretary for Health and other relevant Government officials and external agencies on matters related to the PPTA.

(xi) Be responsible for the preparation of the inception report and consolidated draft final and final reports. The draft final report will summarize the reports of the individual consultants into an executive summary that provides clear guidance on the recommendations of the consultants. This should include a practical, time limited and prioritized implementation plan with detailed Project costings.

Health Worker Training Specialist

3. The consultant will report to the team leader, and will work with the appointed PPTA coordinator and the Assistant Secretary for Health Training, under the direction of the HRD Working Group. Close liaison will be maintained throughout with other concerned agencies including DPM, CHE, CMC, WHO and AIDAB.

4. The consultant will be responsible for reviewing the current health training system and making recommendations for improvements. The consultant will focus on training of community health workers (CHW), nursing officers (NO), health extension officers (HEO) and medical officers (MO). The consultant will assist the government to identify what are the major decisions that have to be taken regarding training institutions, which authorities need to make these decisions, what information will they need to make informed decisions, who will be expected to implement the changes, and the nature, scope and cost of the changes. The focus of the assignment will be on improving existing institutions, rather than on expansion. In the course of completing those duties, the consultant will:

(i) Collect or update all information related to current preservice systems design and recent operations (UPNG, NGO, CHE and DOH).

(ii) Analyze basic preservice health training conformity with postsecondary and other technical training standards for the rest of the country.

(iii) Consider how to ensure conformity to central Government policy so that health workers will not be required to have more general education or more health-related training than is consistent with the jobs they have to do.

(iv) Analyze how health training institutions can best conform to other Government policy aiming to coordinate their efforts with other training institutions, where appropriate, to maximize use of scarce resources. Outline the requirements for improving selected training institutions, including facilities, equipment, faculty and other aspects.

(v) Whenever training for skills that are not available within PNG is needed, analyze how to optimally fulfill those needs by bringing expertise to train staff in country, or below an identified level of need then how best to send persons overseas to study. Identify how training capacity can be improved in PNG.

(vi) Based on an initial work force planning system and other training information, outline the requirements for the establishment of an integrated training system.

(vii) Conduct consultations with district, provincial, regional and national DOH staff, professional bodies and other interest groups (NGOs, women's groups) on the options for the system. These consultations should include WHO, AIDAB, CHE, DPM and the CMC at a minimum.

(viii) Review the experience of previous Bank projects in the health sector and postevaluation findings and incorporate lessons learned in the Project design.

(ix) Develop a practical, detailed, time limited implementation plan for the proposed Project with detailed cost levels. This plan should include the requirements to develop an institutional capability at DOH to operate and maintain the system.

(x) Define key indicators to monitor Project progress and achievement of objectives. Outline how project benefit monitoring and evaluation (BME) will be implemented and prepare detailed cost estimates for BME.

(xi) Assist the team leader in the preparation of the inception report and prepare a draft final report. The draft final report will include a practical, time limited and prioritized implementation plan with detailed Project costings.

Human Resources Management and Supervision Specialist

5. The consultant will report to the team leader, and will work with the appointed PPTA coordinator and the First Assistant Secretary for Primary Health Services under the direction of the HRD Working Group. Close liaison will be maintained throughout with other concerned agencies including DPM, CHE, CMC, WHO and AIDAB.

6. The consultant will be responsible for reviewing the current personnel management systems of DOH and make recommendations for improvements. The consultant will assist DOH in identifying policies and procedures that will support its personnel policies including the preparation of staff for supervisory responsibilities, in-service and continuing education policies, and staff evaluation. In addition, the consultant will assist the Department of Health to specify the major decisions that will lead to the implementation of these policies, which authorities need to make these decisions, what information will they need to make informed decisions and who will be expected to implement the changes. In the course of completing those duties, the consultant will:

(i) Collect or update all information related to current personnel management systems and operations design and recent operations at national and provincial levels.

(ii) Review all information related to current in-service and supervision systems design and recent operations.

(iii) Based on the personnel management requirements of the central and provincial governments, describe how such a system would operate and outline the requirements for the implementation of an integrated personnel management system, with a focus on the supervision needs of peripheral health workers.

(iv) Make recommendations on the establishment of a country wide program for the maintenance of clinical and managerial quality at all levels of the health system. This should include, but not be limited to: in-service training, refresher training, professional re-registration and clinical supervision.

(v) Conduct consultations with district, provincial, regional and national DOH staff, professional bodies and other interest groups (NGOs, women's groups) on the options for the system.

(vi) Review the experiences of previous Bank Projects in the health sector and post evaluation findings and incorporate lessons learned in the Project design.

(vii) Develop a practical, detailed, time limited implementation plan for the proposed Project with detailed cost levels. This plan should include the requirements to develop an institutional capability at National and Provincial levels to operate and maintain the system.

(viii) Define key indicators to monitor Project progress and achievement of objectives. Outline how project benefit monitoring and evaluation (BME) will be implemented and prepare detailed cost estimates for BME.

(ix) Assist the team leader in the preparation of the inception report and prepare a draft final report. The draft final report will include a practical, time limited and prioritized implementation plan with detailed Project costings.