Fiji Health Sector Concept Paper
July 2009

1. Purpose

1.1 As the AusAID funded Fiji Health Sector Improvement Program (FHSIP) comes to an end on 31 December 2009, Australia's commitment to the people of Fiji remains steadfast, and in accordance with its 'rules of engagement'[1] will seek to continue its assistance and remain engaged in Fiji's health sector for the next 2-3 years.

1.2 Despite this commitment, Australia's future support needs to be carefully managed in light of Fiji's current political situation, complex operating environment, and regressing MDG standards; whilst balancing expectations under the Accra and Paris principles on aid harmonisation, and the Australian Aid Program's objectives to support partner countries to achieve MDG targets, mitigate impacts of the global economic crisis on delivery of essential services and supporting vulnerable groups. Within this overarching context, this paper seeks to outline the proposed scope for Australia's next bilateral assistance to Fiji's health sector by:

(a) outlining a short term strategy to facilitate a seamless transition between the current FHSIP and the commencement of Australia's next phase of support to the health sector in Fiji; and
(b) exploring the potential to establish a flexible funding mechanism to respond to negotiated health priorities in 2010-2011; whilst
(c) continuing broader policy engagement and participation from government and other key stakeholders in the determination of priority health issues which could be supported through Australian assistance by 2011 and beyond.

2.0 Introduction

2.1 Australia's bilateral support to Fiji's health sector spans over two decades. The Fiji Health Management Reform Program (1998-2003) and the Kadavu & Taveuni community health projects aimed to support health management reforms, service delivery and enhance access to health services. This included the construction of sub-divisional hospitals in Taveuni and Kadavu to provide health services to isolated maritime communities and reduce the burden of care on Divisional Hospitals. However, maintenance costs and under-utilisation of the sub divisional hospitals remains an area of concern. In addition, the constant change in leadership and policy directions within Fiji's health sector (including slow public sector reforms) has negatively impacted the Ministry of Health's capacity to adjust to the reform agenda, and has lead to general confusion on whether reforms are being 'rolled out' or 'rolled back', depending on the current leadership's policy priorities.

2.2 The Fiji Health Sector Improvement Program (2005-2009) aims to strengthen health systems and support access and delivery of health services to the people of Fiji. The AUD25m Program has four key components i.e. institutional strengthening, public health and health promotion, human resource development; and rural health service delivery and integration. The Program supports Fiji's Ministry of Health (MoH) to implement its strategic and corporate plans. An independent rapid assessment of the Program in October 2008 showed that it was having an impact at the public health, clinical, and administration levels but its impacts at a sectoral level[2] were limited.

[1] As announced by Minister Downer in December 2006 in relation to the Aid Program: to maintain the integrity of aid programs and to ensure that Fiji's people are not unduly affected by the impacts of the coup
[2] Sutton Dr. R. *Fiji Health Sector Improvement Program: Independent Progress Check.* 2008 (Unpublished)

2.3 AusAID commissioned a separate independent situational analysis in November 2008[3] to inform the development of its future support to the Fiji health sector. The report's key findings include financial constraints and staff shortages, progress toward the achievement of MDGs had regressed as demonstrated in key maternal and child health indicators, ongoing drug stock outs, non functioning and outdated medical equipment, lack of robust relationships between government, NGOs and development partners, and a need for stronger evidence based approach to policy and planning, including the need for more focused sectoral planning and better utilisation of information systems to make management decisions. The report made 11 recommendations (see Annex A attached).

2.4 The *Tracking Development and Governance in the Pacific 2009* report launched at the Cairns Forum Leaders Meeting in August 2009, noted Fiji's lack of progress towards achieving MDG goals, particularly the marked increase in incidence of basic needs poverty in Fiji over the past decade from 26 percent in 1996 to 34 percent in 2007; and regressed maternal mortality rates. The report notes that Fiji's public health system is currently facing a severe shortage of senior medical officers and specialists. At divisional hospitals, waiting times for surgery are increasingly longer and the shortage of obstetricians and paediatricians is reportedly impacting on the care of mothers and babies. Furthermore, because of the shortage, some sub-divisional hospitals are no longer able to provide specialist medical services that they previously were able to (for instance caesarean sections). The continued shortage of senior doctors and specialists will over time lead to deterioration in service levels and may lead to worsening health related MDG outcomes. Cuts to the public health budget and migration of doctors are two factors contributing to the issue[4]. Recently the Ministry of Health recruited approximately 14 medical practitioners from India, whilst Cuba has provided 20 MBBS scholarships for Fiji students to undertake studies in Cuba.

3.0 Analysis and Strategic Context

Health Situation in Fiji

3.1.1 Fiji made considerable progress in improving its key MDG health indicators in the 1990s. During that period, life expectancy, maternal and infant mortality improved significantly, with maternal mortality rates improving from 156.5 (per 100,000 live births) in 1970 to 53.0 in 1980 and 26.8 in 1990. However since the mid 1990s progress has stalled and further deteriorated. Infant mortality rates was 16.8 in 1990 but worsened to 18.4 in 2007. Maternal mortality rates of 26.8 in 1990 had worsened to 31.1 in 2007. Both were well short of the MDGs of 5.6 for infant mortality and 10.3 for maternal mortality.

3.1.2 Fiji faces an increasing prevalence of non communicable diseases (NCDs). By 2007, around 82% of deaths in Fiji were due to non-communicable diseases, 10% to communicable diseases and another 8% to other causes.[5] High prevalence rates of cardiovascular disease, diabetes, cancer and hypertension are attributed to lifestyle changes, poor diet, smoking and changing patterns in physical activity, and continuing nutritional problems particularly in school children and women. NCDs are the principal cause of ill-health, disabilities and death in Fiji. This ongoing epidemiological transition in Fiji typifies the triple burden of diseases (communicable diseases, non communicable diseases, and injuries) in a developing country.

[3] Roberts Dr. G & Sutton Dr. R. *A Situational Analysis of the Fiji Health Sector.* 2008. (Unpublished)
[4] AusAID, Fiji Health Summary 2009
[5] http://www.wpro.who.int/countries/2008/fij/health_situation.htm

3.1.3 A rapid increase in HIV (303 cases of confirmed HIV infection as of 28 February 2009) and sexually transmitted infections (STI) has been recorded. Despite the increasing burden of chronic and degenerative diseases on the system, respiratory disease and infectious and parasitic diseases continue to represent the leading cause of admission to hospitals in Fiji.

3.2 Ministry of Health Capacity

3.2.1 The Ministry of Health is the largest service provider in the health sector although there is a growing private sector and NGOs providing health related services to the public. Basic health care is provided to all residents through a hierarchy of village health workers, nursing stations, health centres, sub-divisional hospitals and divisional and specialized hospitals. This framework provides ready access to the general public and has been functioning for many years. However, due to social and demographic changes, this framework needs to be revisited.

3.2.2 Fiji does not have a health sector plan/strategy. The Ministry of Health and central agencies need to be consulted on their views regarding Fiji's perspectives on sector wide approaches and their commitment to develop a sectoral health strategy. However, based on current indications from central agencies and MOH priorities, Fiji is not likely to progress towards a sectoral approach in the short term.

3.2.3 Total health expenditure in Fiji remains low despite increasing demand for services, placing significant pressure on the system. The MoH budget as a percentage of GDP was 2.57 in 2008, representing a continuing and steady decline from over 4 percent in 1993, and remains the lowest percentage of GDP in the Pacific[6]. Australian bilateral support accounts for less than 3% of the total MOH budget (approximately $140m in 2008), 7% of its non-staff costs. Financial constraints remain an ongoing problem for MoH. Further analysis on public and private health financing and expenditure trends; in conjunction with WHOs current work on Fiji's National Health Accounts[7] is needed. This would provide evidence-based data on health sectoral resource flows and to inform policy measures for efficient allocation of resources across the health system.

3.2.4 Fiji, like its Pacific neighbors faces significant challenges in sustaining its health systems against rising health care costs. The bulk of health resources are directed at curative care, which is less cost effective. Given the private sector's increasing involvement in the provision of health services, government now has a regulatory role. It needs improved evidence based assessments to guide use of public money and explore effective health financing options.

3.2.5 The financial crisis continues to spread with low-income and middle-income countries experiencing an inevitable knock-on effect. Global trends indicate that total health spending in countries affected by an economic downturn tends to fall. Fiji's health service is not immune to such trends. The situation is further compounded by the Public Service Commission's directive to all government agencies to reduce operational budgets by 50%[8].

Staffing and training issues

[6] Fiji Health Sector Situational Analysis Report, 2008
[7] National Health Accounts track the comprehensive flow of funds through the health system and inform (i) how much the entire nation is spending on health care, (ii) what goods and services and being delivered, and (iii) who is paying for these services.
[8] Directive issued in March 2009

3.2.6 Workforce issues are of major concern to MOH's curative and public health departments, although clinical areas are most acutely affected through shortage of key staff cadres, and further worsened by a Public Service Commission directive to reduce the civil service by 10% in 2009. While there is no shortage of generally trained nurses, there is a shortage of specialist nurses, including those with specialist skills in intensive care and accident and emergency. The continued shortage of specialist medical officers will, over time lead to a serious deterioration of service levels.

3.2.7 The Ministry of Health and WHO will be conducting a workforce review in October 2009. The Review will include an assessment of Fiji's Healthcare Workforce Plan (1997-2012) in light of current challenges such as emerging diseases, changing social demographics, and improved infrastructure. The MOH recognises that maintaining service quality is a crucial issue for delivering healthcare, whilst providing an appropriate and competent workforce underpins effective service delivery. The Ministry of Health and FHSIP also conducted a Nursing Workforce Review in 2008. A draft report was circulated in mid March 2009. The Fiji Government has established a Nursing Taskforce to discuss how the Report's recommendations could be implemented.

3.2.8 The FHSIP trialled the 'project officer model' which has achieved its objectives in terms of using seconded staff from the Fiji Government as project officers, with short term technical assistance inputs to provide guidance and oversight. This was also intended as a sustainability strategy to ensure that MOH retains corporate knowledge and experienced staff that are able to continue activities within the Ministry upon the Program's completion. Of the 15 MOH staff seconded to the Program, at least 5 have been re-absorbed back into the civil service establishment. However, MOH has not been able to maximise the efficient use of its limited staffing resources by redeploying seconded staff to areas where their newly gained skills and experience acquired under FHSIP, are not utilised. The next phase of Australian support needs to ensure improved MOH commitment in this regard.

3.2.9 Fiji is a major regional training provider in the South Pacific, helping to meet not only its own human resource training needs but also those of its neighbours. Nurses are trained locally at either the Fiji School of Nursing or the Sangam Nursing Training School. Undergraduate training for medical officers is offered at the Fiji School of Medicine, which also provides instruction for dieticians, physiotherapists, laboratory technicians and radiographers. Australia currently provides A$8.9m to the Fiji School of Medicine to help strengthen human resources for health in the Pacific. The Umanand Prasad School of Medicine at the University of Fiji is in the second year of offering a six year undergraduate entry medical program. The MBBS course is based on a traditional curriculum with the pre clinical sciences taught in the early years before moving onto the clinical sciences in the latter years of the program.

Health Information Systems

3.2.10 FHSIP provided solar powers and radio telephones to all MOH installations. This has contributed to safer working environments for conducting procedures on site and accessibility of services in remote locations, and reduced the lead time for ordering vaccines leading to reduced stock outs and less wastage. However, the Ministry's ability to maintain this equipment remains problematic.

3.2.11 The Patient Information System (PATIS) has been systematically rolled out in 11 hospitals across the three divisional hospitals. There are 1375 beds registered on PATIS (over 90% of the occupancy index). PATIS captures information that is used to support decision making at all levels of management including operational, administrative and ministerial level. According to PATIS in-patient activity over 2003-2007 shows a significant increase in patient admissions in two major hospitals i.e. 40%: Suva and 26%: Labasa (despite a population drop over recent years). There was also an increase in inpatients average length of stay in these two hospitals (3%: Suva, 23%: Labasa). It is possible that the increase in inpatient average length of stay at Labasa Hospital may be due to the presence of a TB and Leprosy Ward.

3.2.12 Operationally, PATIS allows national access to information pertaining to a client's health status and information provided at any health facility in Fiji. Thus, a patient's treatment history, NCD status and allergies are accessible to medical staff irrespective of their location. PATIS is also used by MOH to analyse disease patterns and service utilisation data (type and number of cases of a particular disease), as well as provide ward occupancy rates on a daily basis, and the number of patients accessing services in various departments. PATIS is also being used to monitor and improve performance outcomes of individuals and units, and to inform short and long term service planning. However, key concerns include MOH's ability to afford and maintain these systems and the lack of data entry and utilisation by MOH officers.

3.2.13 Other health information systems established through FHSIP include the Financial Management Information System, Human Resources Information System, and Thin Client. Although these systems are meeting the information needs for which they were initially designed, there is scope to build on this to address systems upgrading, data warehousing, and data cleansing. Addressing these issues will allow for increased efficiency in Fiji's health information systems.

Broad Economic and Political Context in Fiji

3.3.1 Fiji's economy continues to perform poorly. The Reserve Bank of Fiji has forecasted a decline of 0.3 per cent in 2009, following very low growth of 0.2 per cent in 2008. While the global recession and the floods in January this year have had a significant impact, Fiji's economic woes predate these events. Following the 2006 coup, Fiji's economy contracted by 6.6 per cent in 2007. Falling foreign reserves have forced the Interim Government to devalue the Fiji dollar by 20 per cent on 15 April 2009. In March 2009, Standard and Poors' downgraded Fiji credit rating from stable to negative based on weak economic growth. In April, Moody's downgraded Fiji's government bond rating to B1 from Ba2 in view of political uncertainties and the increasingly constrained foreign exchange situation. The Interim Government announced on 30 March a 50 per cent cut to the operational budgets of public service agencies. These budget cuts will likely result in further erosion of essential services, such as health and education.

3.3.2 The estimated outcome of total Official Development Assistance (ODA) to Fiji for 2008-09 is $37.9 million. Total Australian ODA to Fiji for 2009-10 is estimated at $35.4 million, of which the bilateral country program is estimated at $18 million. The Australian Aid program to Fiji will be recalibrated to focus on mitigating the social impacts imposed by the global economic crisis and political instability. This includes supporting Fiji to maintain delivery of core services in health and education, and provide other targeted support including financial inclusion, social protection, rural enterprise development and strengthening civil society organisations to support

vulnerable groups and maintain long term progress towards achievement of MDG targets. The people of Fiji also benefit from Australian funded scholarship programs; and regional initiatives including those focusing on health, HIV, climate change and access to the Australia-Pacific Technical College. Australia continues to monitor the economic situation with a view to considering options for providing support for the ordinary people of Fiji, especially vulnerable groups.

3.3.3 Australia currently provides significant support to Fiji's health sector through the Fiji Health Sector Improvement Program (2004-2009). The Situational Analysis Report commissioned by AusAID in 2008 highlighted that the Program implemented numerous activities but lacked significant achievements at the health sectoral level, and also noted concerns regarding Fiji's lack of progress and regression in its achievement of MDG goals.

3.3.4 The interim Fiji Government remains focused on the implementation of the 'People's Charter' and election reforms as priorities before general elections are held to return Fiji to democratic governance in 2014. Pillar 10 of the People's Charter proposes to '*increase the proportion of GDP allocated to health by 0.5% per annum for the next 10 years to achieve a level of 7% of GDP*'. Fiji's achievement of its Charter commitments faces significant challenges in light of its ailing economy, compounded by the potential impacts of the global financial crisis.

3.3.5 The current political environment in Fiji has significantly affected the morale of the civil service and general public; and is evidenced in the frequent changes to the Ministry's leadership and senior management levels, the 'rollback' of reforms in the Health Ministry, high brain-drain of medical professionals and a general reduction in budgetary trends. Therefore the current environment is generally not conducive for longer term strategic planning and public sector reforms. This needs to be built into AusAID's engagement strategy for determining its future support to the Fiji health sector.

4.0 Context for Next Phase of Support

4.1 In response to the global recession, Australia's Aid Program aims to maintain progress towards the MDGs and to support early, sustainable recovery; and will work with partner countries to ensure aid spending is effectively targeted towards minimising the recession's impacts on the delivery of essential services. The Australian Aid Program will focus on increasing efforts to generate employment, maintaining and increasing aid spending in education and health, and supporting vulnerable groups and those most at risk of falling into extreme poverty.

4.2 The Australian Government is gravely concerned about the abrogation of Fiji's constitution on 10th April 2009, which has further affected Fiji's return to democracy. Although Australia's engagement with the interim Fiji Government remains limited, it is keen to support Fiji's return to democratic governance at the earliest opportunity possible. Australia remains committed to the people of Fiji, and aims to continue its development assistance to key sectors including health and education, ensuring that ordinary Fiji citizens are not unduly affected by the December 2006 coup and subsequent events.

4.3 Within this broad context, the Australian Aid program to Fiji has been recalibrated to focus on mitigating the social impacts imposed by the global economic crisis and political instability. This includes supporting Fiji to maintain delivery of core services

in health and education, and provide other targeted support including financial inclusion, social protection, rural enterprise development and strengthening civil society organisations to support vulnerable groups and maintain long term progress towards achievement of MDG targets.

4.4 The current operational environment in Fiji is not 'business as usual', and the aid program operates in a constrained environment. However, the Australian Government remains committed to ensuring that the people of Fiji, especially vulnerable populations, have access to essential health and education services. Preliminary discussions around the design of new programs for these sectors have begun, with the aim of shortly undertaking consultations with respective Ministries and local stakeholders, followed by a design process. It is anticipated that Australian support to the health and education sectors would not lapse upon the completion of current programs in December 2009.

5.0 Consultation Outcomes with key stakeholders in the Fiji health sector

5.1 On 21st July 2009 AusAID conducted a one-day consultation with key officials from Ministry of Health, Fiji School of Medicine, Fiji School of Nursing, Ministry of Finance, and Ministry of National Planning to discuss priority areas for consideration in Australia's next phase of assistance to the Fiji health sector. The participants agreed that the MDG Framework should be used to guide Australia's planning for its next phase of support as it provided an integrated approach to addressing key health issues in Fiji.

5.2 The meeting identified the following priorities:
(i) capacity building, leadership, management, evidence based policies;
(ii) health systems strengthening and health service delivery, including at community levels; and
(iii) NCDs, using a primary health care approach in urban and peri-urban settings.

5.3 However there is a need to 'unpackage' the priorities identified above and what it means for Fiji and how it can be practically addressed in Australia's next phase of assistance to the Fiji health sector. In addition, the Aid Program would also investigate the feasibility of targeting vulnerable groups and/or geographical areas more directly as a response to mitigating the economic impacts of Fiji's political instability and the global recession on delivery of health services. Further consultation meetings with civil society organisations and key development partners are being planned to discuss these priorities.

5.4 Australia's immediate priorities for 2010-12 will focus on a dual approach – mitigating the impacts of the global economic crisis on delivery of health services in Fiji, and in the longer term to ensure that Fiji's progress towards achieving the MDG goals does not worsen any further. At this stage it is envisaged that a funding facility mechanism will be used to provide immediate support to the Fiji health sector, based on high level dialogue to identify and negotiate funding priorities.

5.5 The Fiji health sector also receives support from AusAID funded regional and multilateral programs provided by other development partners (Annex B). AusAID's future support to the health sector needs to give careful consideration to the regional/bilateral program mix; and ensure opportunities available for Fiji under regional programs are maximised, and that opportunities are taken to 'leverage off' and value add to regional programs implemented in-country where appropriate.

6.0 Key Challenges

6.1 Balancing the focus between improved service delivery and health systems strengthening in Fiji is challenging, as evidenced in the former and current aid funded health programs. Increased health spending is not necessarily translating into improved health outcomes, as reported in the October 2008 situational analysis report. The next phase of Australia's assistance to the Fiji health sector needs to give careful consideration to the resource balance between health service delivery and its systems, including accessibility to health services. This requires the involvement of all stakeholders in the health system, including policymakers, health service managers and workers, public and private providers, development partners and the general public.

6.2 In recognition of the current political situation in Fiji, Australia is not able to fully comply with the Accra and Paris principles on aid harmonisation and use of partner government systems in its next phase of support. However, the potential to use some form of government systems and processes will be explored during the design of the flexible funding facility, based on rigorous technical assessments and high level dialogue with Fiji government officials and key stakeholders.

7.0 Risk Management

Some of the key risks that would impact on Australia's support to the health sector include:

- Further deterioration of Fiji's political situation and faces isolation from its neighbours in light of the Pacific Islands Forum and the Commonwealth Ministerial Contact Group's decision to suspend Fiji if a return to democratic elections is not imminent;
- Fiji's gloomy economic outlook, with low GDP projections, and the potential impacts of the global financial crisis on Fiji's economy;
- Fluidity of the operating environment in Fiji adds considerably to the challenges faced by the aid program; and need to maintain flexibility to changing political circumstances.
- Recognition of the limitations of the Ministry of Health and central agencies, whilst working to address these issues with other development partners. In light of Fiji's current political environment, it is not viable to pursue full implementation of the Accra and Paris principles on aid harmonisation at this stage. Instead the design of a flexible funding mechanism will explore possible hybrids of parallel systems to implement Australia's next phase of assistance. Dialogue with government and continuous monitoring of this issue will be imperative as we seek to fully align the program to the principles of Accra in later years;
- Ensure that AusAID's future support to the Fiji health sector is underpinned by rigorous analysis and research (factoring in cross-cutting issues) to provide targeted support to ensure that Fiji meets its MDG goals;
- The present environment of uncertainty has highlighted the need to increasingly engage other private sector development actors in health interventions to ensure that services reach those most vulnerable. Given Fiji's uncertain political context, and the rollback of reforms, attempts will be made to broaden the support base for Australia's interventions in the health sector by engaging Ministry of Health, non government organisations, community based organisations and private medical practitioners in the next phase of Australia's assistance.
- Fragmentation and proliferation of activities through the proposed flexible funding mechanism, and its implications on Ministry of Health and AusAID Suva Post's capacities.
- Risk that Australia's funding contribution is spread too thinly and does not make an impact on the ground; whilst managing the risk of 'broadening the base for Australia's interventions in the health sector and other social determinants on health.

8.0 Proposed Next Steps

Transition Phase (January – July 2010)

8.1 In order to facilitate a seamless transition into Australia's next phase of assistance, a core team of current FHSIP project staff will be maintained to enable AusAID to remain engaged with the Ministry, and provides a pathway for Australia to be in a position to respond to more immediate needs in the health sector, a key component of its public diplomacy objectives and is consistent with Australia's overall engagement strategy in Fiji. The transition phase will cover a period of at least six months, effective from January 2010.

8.2 The Ministry of Health has undertaken to absorb all existing FHSIP project positions (both technical and administration) into the Ministry's establishment. However, this has not been confirmed as they are currently seeking approval from the Public Service Commission and Ministry of Finance. In the event that Ministry of Health is not able to absorb these positions, it is proposed that as part of AusAID's transition strategy, AusAID provide salary support for key project officer positions in the following prioritised areas: health promotion and non communicable diseases, public health surveillance and laboratories, EPI and Reproductive Health, mental health, hospital in the home program, embed clinical practice guidelines, clinical governance and risk management and health information (please refer to Annex C).

8.3 Lessons learnt from FHSIP on the 'project officer model' included 'value for money' investment in MOH staff instead of long term consultants, activities implemented by project officers were effectively progressed when dedicated human resources were provided to address key issues, backed up by funding, monitoring and evaluation and training support, seconded officers need to be returned to the civil service after their appointments so that they do not lose out on potential benefits eg promotion, long service leave, etc; and the need to embed project officers roles into the Ministry's mainstream activities.

8.4 The project officers that will be supported through direct salary support from AusAID, will be based at the divisional level and will be responsible for facilitation and delivery of relevant services, especially targeting vulnerable groups within these communities. It is also proposed that some seed funding will be provided to cater for activity implementation costs. Their presence at the community level enables direct support to the community.

8.5 Pending further discussions with Ministry of Health, it is envisaged that the salary support costs will be paid directly to the Ministry, who will be responsible for their contracting and reporting arrangements. The Ministry is expected to establish a trust fund account, with stringent accountability measures. A Memorandum of Understanding is expected to be signed between the Permanent Secretary and AusAID to formalise these arrangements. The design mission will also look into how the transition phase can link up with the inception and implementation phase of Australia's support to the Fiji health sector from July 2010; with the objective of using MOH staff and project officers (upskilled through FHSIP) in activity implementation where appropriate.

Interim Phase (July 2010 – June 2011)

8.6 AusAID acknowledges that the October 2008 Situational Analysis provides a solid platform to inform conceptual thinking for broader longer term support to the Fiji health sector. As recent events have set back further any hope for Australia's full progression towards an Accra guided approach in Fiji, AusAID will seek to put in place a platform for potential approaches of working with partner government systems as far as the situation allows. To ensure that AusAID maintains its current momentum and remains engaged with the Ministry of Health, a short term 'interim' flexible funding mechanism will be designed to respond to negotiated health priorities for the period 2010-11. The proposed modality and determination of health priorities to be funded from this interim mechanism remains to be negotiated with Ministry of Health and Fiji government's central agencies, other development partners and key stakeholders in the remaining course of 2009.

8.7 To inform longer term support to Fiji's health sector beyond 2011, AusAID intends to focus on evidence based planning to improve national health systems. This requires ongoing engagement and collaborative analytical work with government and other development partners and key stakeholders in commissioning further analysis on identified information gaps including the following:

- Support WHO's work on Fiji's Health Accounts and Ministries of Health and Finance to track and analyse Fiji's public and private health expenditure trends;
- Support WHO and UNSW work on the regional health mapping exercise, and expand the analysis on the Fiji section of the report, to determine the impacts of social and demographic changes to the current health infrastructure;
- Support FHSIP to review and assess the health information systems to ensure that it provides information relevant to the Ministry of Health to make appropriate management decisions;
- Support FHSIP to determine the sustainability of current Program activities, and what needs to be built on in the Program's next phase.

The outcome of the proposed analysis above will inform planning for potential areas for AusAID assistance and strengthen the evidence base underpinning these discussions; whilst providing a robust platform to base future long term support.

8.8 In line with the Cairns Compact on donor harmonisation and aid effectiveness, it is expected that the analysis and collaboration on evidence based research will be used by Australia to liaise with other development partners and Ministry of Health to ensure targeted support to Fiji's health sector and form the basis of a health sector plan for Fiji, driven by Ministry of Health. The flexible funding facility could also be used as an initial early step towards donor pooled funding for health priorities.

In light of the scenario planning context above and the fluidity of the operational context in Fiji, it is proposed that:

(i) Australia agrees to a six months transition phase (January – July 2010), including salary support for agreed project officer positions and seed funding to support implementation of negotiated activities in priority areas;

(ii) Australia continues its assistance to the Ministry of Health (July 2010 – June 2012) on an 'interim' basis through a flexible funding mechanism, with the potential of using pilots to test the robustness of Government's procurement and financial systems and monitoring and evaluation processes. This is to be further discussed with the Ministry and other key stakeholders in the Fiji Health sector in a series of roundtable discussions on health sector priorities, a design

taking place over the months of September-November. This will ensure that AusAID retains momentum to work with Ministry of Health, and to encourage required reforms needed to sustain future support, through the flexible funding facility. AusAID will work with Ministry of Health and other key stakeholders to negotiate priorities for 2010-11 whilst concurrent work continues on establishing the required research platform to determine Australia's longer term support to the Fiji health sector.

(iii) Further consideration of future long term support (2011-2016), through working with Ministry of Health, central agencies and other key stakeholders in commissioning further analytical analysis on the following areas:

- (in conjunction with FHSIP) assessment of the status of health systems and infrastructure in Fiji in comparison with demographic and other social changes; and in conjunction with WHO – assessment of Fiji's health workforce;
- (in conjunction with WHO's work on the Fiji National Health Accounts) assess budgetary and expenditure trends within the Fiji health sector (both public and private health financing trends); and potential impacts of the global financial crisis on the Fiji health sector
- (in conjunction with FHSIP) assessment of the health information systems to meet MOH current needs
- (in conjunction with FHSIP) assessment of sustainability of current FHSIP activities.

Proposed Timeframe:

Dates	**Tasks**	**Cost**	**Comments**
• ***PREPARATION FOR INTERIM PHASE***			
July – September 2009	Further consultations with Ministry of Health and development partners regarding 'interim phase' (2010) flexible funding mechanism and potential activities		• Meetings and Workshops with Ministry of Health (using Situational Analysis Report as a guide) • Meetings with other development partners (WHO, SPC, UNIFEM, UNDP, JICA, etc) • Public Forum for primary health practitioners and stakeholders
September/ October 2009	Commission design of 'flexible funding facility'; (in case we need to go to the market for management of this facility)'	$150,000	• Develop terms of reference for design (determined from consultations conducted in July/August) • Peer Review Concept Note and terms of reference for Design • Contract HRF for Design team

			• Conduct design mission (at least 2 weeks) • Peer Review draft report and finalise
• ***PREPARATION FOR LONGER TERM SUPPORT***			
July- September 2009	Consultations with development partners and FHSIP on potential areas for collaboration on analysis required		• Work closely with FHSIP on ACR reviews, including commenting on terms of references, etc • Collaborate with WHO on Fiji National Health Accounts, Workforce Review and Nurse Mapping/ Review exercise
September/Oct 2009	Based on consultations, work closely with Ministry of Health and other development partners on proposed analysis		• Explore links with planned social protection work with World Bank and Department of Social Welfare • Support the development of a costed health sector plan and its linkages to Fiji's Medium Term Expenditure Framework • Explore appropriate monitoring and evaluation processes

Current health bilateral funds total $4m per year. It is anticipated that level of funding for the 2010-2011 flexible funding mechanism will not differ significantly from this amount.

Annex A – Fiji Health Sector Situational Analysis Recommendations

Recommendation 1
Continued efforts need to be made to increase the number of medical post-graduates from the FSMed. With this in mind, the IGOF should continue to allocate priority for postgraduate medical training when it allocates scholarships, either those that are internally funded or funded by its development partners.

Recommendation 2
The MoH should continue to work with the PSC to improve the salaries, allowances and incentives offered to specialist medical officers and specialist nurses with a view to reducing the level of outward migration and retaining their services within the Fiji health sector.

Recommendation 3
The MoH should consider undertaking regular surveys at the major hospitals (and other centres) to determine waiting times for patients attending at different times of the day and on different days. Concurrently, independent patient satisfaction surveys could be carried out to explore other issues such as staff attitude and drug outages. The results from such surveys could guide the implementation of a Service Improvement Program. The FHSIP should be asked to include funding for such surveys within its work plan for 2009.

Recommendation 4
The MoH should consider undertaking a review of the location, functions, staffing levels and operating hours of the current network of nursing stations, health centres, subdivisional and divisional hospitals to ensure that they better serve the needs of the people of Fiji. It is recognised that external assistance may be required for such a Review and development partners should look favourably on providing such support as it will offer the potential to significantly improve the efficiency of service delivery.
The Clinical Services Planning Framework, developed with support of the FHSIP, should be a key tool in this exercise.

Recommendation 5
A carefully planned study should be undertaken of antenatal care practices in Fiji, which should include women in both urban and rural areas.

Recommendation 6
The MoH and its partners should consider developing "action" plans that focus specifically on reducing the levels of infant and maternal mortality. Such plans should cut across all departments of the MoH and engage with all relevant parties both within and outside of the Ministry.

Recommendation 7
All options should be explored on ways to increase the level of funding made available through the national budget, and through development projects for the standardisation and procurement of essential biomedical equipment.
Similarly, options should be explored on ways to increase the level of funding available for maintenance and repairs of biomedical equipment and to simplify the processes for the procurement of replacement spare parts and consumables.

Recommendation 8
Recognising the very critical state of biomedical equipment procurement and repair, development partners might consider a large scale biomedical equipment project that seeks to

purchase standardised equipment for the divisional hospitals in order to bring equipment up to acceptable levels. Any such project should also review the processes required for the maintenance of equipment and purchase of spare parts. Such a project should work with but be outside of the current support that AusAID is giving to strengthening biomedical engineering departments within the region.

Recommendation 9
Although access to essential drugs at the health facility level is improving and "stock outs" are occurring less frequently, more needs to be done, especially in the Northern Division. Any steps to improve the efficiency of drug supply should include a formal audit of the central pharmacy store, its processes and an assessment of the technical capacity of the staff to ensure that their skills match the needs of the job. FHSIP should be able to continue its support in this area during 2009, and include such an audit in its workplan.

Recommendation 10.
The MOH should take the lead in recognising that the "health sector" consists of other partners besides the MOH.
Working with outside support if necessary, it should explore ways in which it can work with these other parties, including private medical practitioners, to put in place more functional operational partnerships that better define the role of the respective partners in supporting the MOH to achieve the overall goals of the sector.
It should also seek to obtain meaningful information on the range and volume of health services performed by these other parties.

Recommendation 11.
It is recommended that initial priority for any AusAID support beyond 2009, should be given to assisting the MoH to achieve its own MDG 4 (infant and child mortality) and MDG 5 (maternal mortality) targets.

Annex B – List of Regional Programs

AusAID funded regional programs include:

- The Pacific Health Systems Strengthening Initiative provides a commitment of A$8.95m (2008-2011) support to the Fiji School of Medicine to implement its Strategic Plan and to improve its academic and management capacity and increase the number of trained medical practitioners in the region. Since 2000, about 1380 Fiji students have graduated from FSMed;

- WHO's Pacific Human Resources for Health Alliance Initiative is undertaking regional health mapping exercise in conjunction with UNSW. WHO has submitted a proposal for enhancing nursing services in the region (using the Fiji School of Nursing as a model), and workforce review with Fiji Ministry of Health;

- The Pacific Regional Non-Communicable Diseases Program jointly delivered by SPC and WHO in the region has a country grant provision, in which PICs are eligible to apply for assistance to implement their NCD strategies. To date Fiji's NCD strategy has been partly funded by FHSIP; and needs to be encouraged to apply for regional assistance available under this Program;

- SPC manages the A$30m Pacific Islands HIV and STI Response Fund (2009-2013). The Response Fund provides financial and technical assistance to PICs national governments, civil society agencies and regional and multilateral organisations for the implementation of the Pacific Regional HIV and STI Strategy 2009 -2013. The Response Fund has various funding streams to cater for specific groups. Funding stream one is specifically to support the work of PIC governments in implementing their National Strategic HIV/AIDS/STI Plans or its equivalent. Based on population and scope of its National HIV/AIDS Strategic Plan (2007-2011), the Fiji government is eligible to apply for the maximum under funding stream one ($250k) on an annual basis;

- With increased links being drawn between HIV and sexual reproductive health, Australia supports the Pacific Family Health Associations (FHAs) to improve the overall organisational capacity of FHAs in PICs, including governance, management, advocacy and service delivery. Fiji benefits from this Program through the provision of budgetary support and capacity building of the Fiji Reproductive Health Association. In addition, the Health and HIV Thematic Group provided UNFPA Sub Regional Pacific office with $1 million in core funding to assist their mandate of providing technical assistance to Pacific reproductive health service delivery organizations. Fiji MoH has signed a Memorandum of Understanding with UNFPA for the supply of condoms to its divisional HIV & STI Clinics.

- UNICEF Pacific Program which provides child immunisation in PICs, and a further $3 million available for specific immunisation interventions in other high-risk Pacific countries, subject to agreement with UNICEF. It is expected that the program will achieve 90% immunisation coverage of under-5s in all 14 PICs. Currently immunisation coverage ranges from 26-100 %. Through the assistance of this program Fiji recorded a 94% immunization coverage rate, the highest ever coverage rate in the country's history.

Annex C: Transition Strategy

Key Project Officer positions to be continued through salary support to MOH:

Project Officer Positions *(at division levels, and upon request/negotiations with Ministry of Health to ensure that we do not undermine their own capacity)*	**Rationale**
EPI/ Reproductive Health	Current role focuses on training of nurses and emergency response. Continuity of staff training is a core MOH responsibility, but becomes an urgent priority given the enforcement of the retirement age policy. However, note the importance of 'keeping a foot' in this area as it ensures good linkages to maternal and child health, but might need to tweak this role's key focus to align it with maternal and child health priorities.
Health Promotion	Current focus is on facilitation and training/advocacy role, and ensures accessibility of primary health care services to rural and divisional populations. This role could be further strengthened to address causal factors for NCDs.
Public Health Surveillance	Current focus is on establishment of quality management systems and disease surveillance. Role is capable of including some research on communicable diseases
Non Communicable Diseases	Given high NCD rates in Fiji, need to strengthen this role to roll out NCDs toolkit and related services to the Western & Eastern divisions.
Clinical Services & Hospital in the Home Program	The Hospital in the Health Program (HITH) is aimed at reducing MOH health care costs. HITH needs to be rolled out to the Western and Northern Divisions in 2010.
Health Information	To embed health information systems and processes into MOH structures.