Australian Government
AusAID

Quality at Entry Report for The Papua New Guinea Health System Capacity Development Program (HSCDP)

A: AidWorks details			
Initiative Name:	Health and HIV Implementing Services Provider (HHISP)		
Initiative No:	TBC	**Total Amount:**	AUD 152,000,000
Activity Name:	Health System Capacity Development Program (HSCDP)		
Activity No:	TBC	**Total Amount**	AUD 60,000,000
Start Date:	15 August 2011	**End Date:**	30 June 2015

B: Independent Appraisal details	
Peer reviewers	– Beth Slatyer, Health Adviser, Health and HIV Thematic Group
Independent Appraiser:	– John Mooney, PNG decentralisation specialist – Dr Jim Tulloch, health system specialist

C: Safeguards and Commitments		
1. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the *Environmental Protection and Biodiversity Conservation Act*?	Yes
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	Yes

D: Initiative/Activity description

3. Description of the Initiative/ Activity

The Papua New Guinea (PNG) Health System Capacity Development Program (HSCDP) will facilitate the implementation of rural health service delivery. It will achieve this by (a) strengthening the functions and systems of organisations and partners with the responsibility to influence or deliver health services and (b) addressing incentives to promote a stronger culture of implementation, performance and accountability (particularly at the district-level).

The majority of Australian support in the PNG-Australia Health Delivery Strategy 2011-2015 directly supports key inputs of PNG's health system: financing, medical supplies, infrastructure and human resources for health. The underpinning theory of change behind HSCDP is that these resources – capacity availability – are necessary but not sufficient to improve service delivery. Translating these resources into implementation requires systematic attention and support directed to the incentives and drivers of change. HSCDP is intended to provide enabling support across all result areas and is focused on medium-term capacity development improvements that can be sustained.

The HSCDP will focus on capacity development at a range of levels – individual, group, organisational, sector, institutional and the systems which cut across these. It will manage two main forms of aid:

(a) Technical assistance: a mix of capacity development options including but not limited to:
- Short and long term training opportunities;
- Peer learning and mentoring through exchange or secondment across organisations / provinces;
- Twinning between local and international organisations;
- Short and long-term aid-funded personnel, in either in-line or advisory positions
- Operational research, analysis, diagnostics and activity design; and

(b) Grants: these can be provided to non-state actors to directly deliver health services (delivered through the existing HIV and AIDS or SPSN grants programs) or to health worker training institutions to undertake quality improvement programs.

The PNG high-level Health Sector Partnership Committee will be the primary governance and decision-making body for the HSCDP, supported by a sector coordination team based in the National Department of Health, and an intergovernmental working group – the capacity development coordination (CDC) sub-committee.

4. Objectives Summary

The HSCDP is being designed in two phases. The first phase is this design and implementation framework, which outlines the key principles and operational aspects of the program and provides a basis for tendering the program. The second phase is the design of the specific end-of-program outcomes, resources, activities and outputs required to achieve these, and underpinning analysis to determine the type and mix of support provided. This will initially be determined through a robust joint capacity diagnostic process in 2011. In the interim, the following sub-sector objectives have been developed to narrow the program's strategic focus:

Purpose:
- To strengthen key partner performance, functions and systems, and incentives within PNG's health system to better deliver rural services (with a particular focus on five provinces);

Organisational capacity development objectives:
- Priority provinces and PHAs with demonstrated capacity to manage, deliver (including to outsource) and monitor a minimum package of health services;
- NDoH and health worker training institutions with demonstrated capacity to perform core enabling functions (including sector coordination);
- Non-state actors (churches) with demonstrated capacity to deliver a minimum package of health services.

Cross-cutting capacity development objectives:
- Increased number of public-private partnerships in priority provinces;
- Gender equality approaches reflected in district-level service delivery planning, strategies, implementation and reporting;
- Increased analytical and operational research evidence-base, and use of monitoring and evaluation (M&E), to inform strategies, implementation and promote accountability.

Through its capacity development focus, HSCDP's specific contribution to the PNG-Australia Health Delivery Strategy 2011-2015 intermediate development outcomes will be:
- Financing: integrated and bottom-up approaches to all sources of health financing; increased direct facility financing in priority provinces;
- Medical supplies: strengthened NDoH capacity to transparently procure internationally quality assured medical supplies and manage outsourced supply chain; increased capacity of priority provinces to budget for drug distribution and manage pull system;
- Human resources: increased quality and capacity of pre-service training institutions to meet demand; comprehensive approaches to in-service training, supportive supervision and accountability in priority provinces;
- Infrastructure: increased capacity of priority provinces to fund and implement maintenance of health facilities and staff housing
- Public health: increased capacity of NDoH to manage disease outbreaks quickly and effectively; and strengthened approaches to water supply, sanitation and hygiene (WASH) and tuberculosis in Western province.

E: Quality Assessment and Rating

Criteria	Assessment	Rating (1-6) *	Required Action (if needed) ‡
1. Relevance	At an overall level the proposal is relevant and a long history of preparation is evident. It is based on a well informed analysis of the health sector in PNG, where context and environment are explained well. Linkages to all relevant policies are clear, particularly the Partnership for Development Health and HIV Schedule, the PNG-Australia Health Delivery Strategy 2011-2015, and PNG's National Health Plan 2011-2020. It recognizes that there are still weaknesses in the PNG health system and that well organized external input in a number of areas could be important. It also recognizes the limits of AusAID capacity and seeks to extend the ability of Australia to contribute to development of the health sector by contracting a well-qualified service provider. As this service provider will be responsive to diagnostics independently carried out under the guidance of the Health Sector Partnership Committee (in which AusAID will participate) the relevance of its actions to the objectives of the GoPNG and AusAID should be assured. These will, however, need to be kept constantly in view to avoid the HSPC diverting the service provider to activities, that while arguably important, are beyond the agreed priority objectives of GoPNG and AusAID. Overall, the response is appropriate to the current aid environment in Australia and PNG.	5	

2. Effectiveness	While more detailed objectives of the HSCDP will be worked out during the diagnostic and design phase a very useful effort has been made to set interim objectives and narrow the program's strategic focus (Box 3). Objectives are now clear and linked to the intermediate development outcomes of the PNG-Australia Health Delivery Strategy 2011-2015. It is appropriate that the objectives of the NHP are adopted as the overall objectives of the HSCDP. The revised name of the Program reflects its aim of improving performance of the health sector in implementing the NHP with an emphasis on sustainably strengthening the health system. The theory of change is in general reasonable; its realization will depend on an accurate diagnostic process and implementation in a manner that aims to achieve the stated objectives. That cannot be judged at this point but the argument for a two-phase design process is well argued. The document identifies key risks and credible approaches to managing them. By keeping this list short it should be possible to use it for continuous assessment of whether the risks are undermining program effectiveness. It would be good to see these explicitly reported on. The document explicitly recognizes that the effectiveness of the initiative will depend heavily on the functioning of the HSPC and acknowledges that AusAID therefore has a strong (additional) interest in ensuring that it works. The design recognizes that there are risks inherent in using one service provider for a range of needs; these will be offset by use of technical organizations such as WHO, World Bank and use of the AusAID Health Resource Facility. Earlier confusion as to whether the program had an institution-strengthening activity or thematic focus has been resolved, with its explicit transition from a facility to a transition in 2011-12.	5	

3. Efficiency	The most clearly inefficient use of Australian resources is expensive but inappropriate or poor quality advisory assistance. It is therefore reassuring that quarterly performance monitoring is planned. Contracting processes should allow for easy replacement of non-performing advisers. Use of integrated health function grant (HFG) and health sector improvement program (HSIP) trust account for fund disbursement wherever possible rather than setting up new mechanisms is appropriate. The statement in this regard, however, is a little ambiguous. The document states that the Program will only provide "financing for purposes which cannot be reasonably accessed through either PNG's own sources (such as health function grants and internal revenue) or the health sector improvement program (HSIP) trust account". This could be read to be referring to the sufficiency of the funding rather than the mechanism." Overall the amount of funding being proposed looks appropriate. Without knowing more detail of what it will be spent on it is difficult to judge whether it is value for money, but a reasonable process is proposed for ensuring funds are well spent. The previous assessment raised a number of issues which have all been addressed satisfactorily. They concerned: • The framework did not expose or describe the strategy and overall engagement approach and responsibilities between PNG, AusAID and the contractor; • PNG's roles were all committee based, without primary responsibility for implementation; • Inadequate detail on monitoring and evaluation, including resourcing; • Management cost estimates; • Approach to ongoing activity design; and • Management of small grants.	4/5	Minor wording change to clarify the statement on financing. AusAID funds should be channelled through the HFG/HSIP processes wherever possible to strengthen them and allow better monitoring of expenditure.
4. Monitoring & Evaluation	As stated above, it is appropriate that the initiative should adopt the National Health Plan 2011-2020 performance assessment framework as its overarching framework for M&E given that the purpose is to support the National Health Plan. Many other factors will however come into play in determining whether the NHP is effectively implemented and has a health impact. As is stated in the proposal, it will be important also to define specific objectives and targets for the initiative in order to guide, monitor and evaluate it. This would focus on specific areas of performance and system strengthening/capacity building that are identified during the diagnostic process. The question arises as to whether these should be assessed independently at a later stage in the design process given that this QAE is being asked to approve a very general outline of the approach to M&E. The proposal to have an annual independent contract performance appraisal conducted is good. This implies of course that clear criteria for performance will be identified. This was the weakest aspect in the previous assessment. Considerable work has been done and the document is vastly improved.	5	While the M&E presented in this framework is more than adequate at this stage, this rating is provided with the assumption that the diagnostics and design phase will clearly identify objectives for e.g. system strengthening and monitor them effectively, as is stated in the document.

5. Sustainability	Sustainability is a significant issue in PNG, as the whole approach under this Strategy recognises in two respects: • AusAID is engaged in direct service delivery; and • the development approach contributes to building sustainability. The design correctly identifies six key influencers of sustainability. The benefits can only arise if those implementing the activities have a full understanding of the development approach inherent in the design. The brevity of this style of design documentation, and with the two-phase design process, means that it is difficult to assess the sustainability of benefits, and the assumption that the service provider will be instructed to ensure these approaches are supported in its working methodology, and most importantly in the assessment of advisory and other technical assistance inputs. This will depend very much on what the service provider is contracted to provide whether the outputs/outcomes sought are ones that favour sustainability, whether the incentives are designed accordingly, whether M&E considers this dimension and whether timely corrective action is taken when activities are being implemented in a way that is not likely to result in sustainability. These elements cannot be assessed at this time but the document is reassuring that these issues will be taken seriously. A critical element of sustainability is the PNG partner's obligations to take responsibility and accept accountability. This perhaps could be made more explicit. However, the reality is that seeking 'stability' may well be a more appropriate objective while doing nothing to harm the future prospects of achieving some sustainability. Gender is generally well handled in the design and PNG-Australia Health Delivery Strategy 2011-2015. A lesson from other facilities is that explicit dedicated resources need to be available to stakeholders so that cross-cutting issues are addressed in activity designs. The design and activity requests will come from PNG partners. It is almost inevitable that they will be weak in these aspects. With the service provider playing a minimalist role, and no role in activity design, this deficiency needs an explicit approach in this design.	4/5	Explicity outline PNG partners' obligations to take responsibility and accept accountability, to strengthen likelihood of sustainability of program approaches and benefits. Develop explicit approach in design to justify approach to activity-level design (which has no role for service provider).

6. Gender Equality	Gender is generally well handled in the design and the PNG-Australia Health Delivery Strategy 2011-2015. The proposal states three ways in which the HSCDP will address gender equality. The first is stated as a focus on maternal health but actually includes dimensions that are not related to pregnancy, childbirth or motherhood. Addressing gender-based violence (GBV) and (broad) gender-responsive budgeting (GRB) are not elements of maternal health. It should be made clear how broad or narrow the focus on women's health will be. If GBV and GRB are to be included they should be separate elements that are appropriately resourced, supported and monitored. They should not be mentioned in passing. Sex-disaggregated data is mentioned with the suggestion that it be sought and used from the diagnostic phase. The third area is improving women's participation in the health workforce and guiding entities such as in the HSPC and its committees. The document should state that the planning of specific areas of work will consider the gender dimension. This should then be monitored. As per point on sustainability relating to resourcing cross-cutting issues into activity-design.	4/5	The document should clarify the intended focus on GBV and GRB and its implications for resourcing, support and monitoring; and state that the planning of specific areas of work will consider the gender dimension and be included as part of M&E.
7. Analysis and Learning	Understanding of the health sector context in PNG as reflected in this document is based on a number of reviews previously conducted and is sound and concisely expressed. At the strategy level it reflects learning from the past for the health portfolio as a whole, the need for a tighter focus and clearer boundaries for Australian assistance, and lessons from dependence on advisers. This design framework also includes lessons learned specific to this type of aid delivery mechanism. Lessons learned from facility and program approaches, as well as with managing contractors / service providers in AusAID programs in PNG and elsewhere (including CBSC and its predecessor HSSP) have been taken into account. In particular several main issues are acknowledged and addressed: • the need to not rely solely on the service provider to deliver across a broad spectrum of areas; • avoidance of the service provider managing significant amounts of money that could undermine the use of government systems and AusAID's own efforts to improve them; and • that joint quarterly performance assessment is needed to safe-gaurd relevance and quality of advisory assistance. International experience has explicitly been taken into account in several areas including procurement of technical assistance.	5	

* **Definitions of the Rating Scale:**			
Satisfactory *(4, 5 and 6)*		***Less than satisfactory*** *(1, 2 and 3)*	
6	Very high quality; needs ongoing management & monitoring only	**3**	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	**2**	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	**1**	Very poor quality; needs major overhaul

‡ **Required actions (if needed):** These boxes should be used wherever the rating is less than 5, to identify actions needed to raise the rating to the next level, and to fully satisfactory (5). The text can note recommended or ongoing actions.

F: Next Steps

Provide information on all steps required to finalise the design based on *Required Actions* in "C" above	Who is responsible	Date to be done
1. Minor wording changes to design document based on independent appraiser tracked changes suggestions	Geoff Clark	12/08/11
2. Minor working required to clarify statement on approach to health financing (AusAID funds should be channelled through the HFG/HSIP processes wherever possible to strengthen them and allow better monitoring of expenditure.)	Geoff Clark	12/08/11
3. Explicity outline PNG partners' obligations to take responsibility and accept accountability, to strengthen likelihood of sustainability of program approaches and benefits.	Geoff Clark	12/08/11
4. Develop explicit approach in design to justify approach to activity-level design (which has no role for service provider).	Geoff Clark	12/08/11
5. The document should clarify the intended focus on GBV and GRB and its implications for resourcing, support and monitoring; and state that the planning of specific areas of work will consider the gender dimension and be included as part of M&E.	Geoff Clark	12/08/11

G: Other comments or issues

- Given the two-phase design process, a second quality-at-entry process will be completed in December 2011 – January 2012 to review the findings of the diagnostic processes – specifically in terms of the strategies, approaches, interventions and outcomes proposed.
- The M&E presented in this framework was described by independent appraisers as more than adequate at this stage; however the rating was provided with the assumption that the diagnostics and design phase will clearly identify objectives and monitor them effectively, as is stated in the document. AusAID will need to actively manage the diagnostic process to ensure M&E is undertaken adequately, and work with GoPNG stakeholders and specialist support (as required) to develop a complete M&E plan prior to implementation.

H: Approval *completed by **Minister-Counsellor***

On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:

☑ **QAE REPORT IS APPROVED**, and authorization given to proceed to:

- ○ ✓ **FINALISE** the design incorporating actions above, and proceed to implementation
- *or:* ○ **REDESIGN** and resubmit for appraisal peer review

☐ **NOT APPROVED** for the following reason(s):

_____

_____

_____

~~Stephanie Copus-Campbell~~, ~~Minister Counsellor~~ PNG	signed: MLowe Michelle Lowe Chief of Operations.	

When complete:

- Copy and paste the approved ratings, narrative assessment and required actions into AidWorks and attach the report.
- The original signed report must be placed on a registered file