Australian Government

Department of Foreign Affairs and Trade

Pacific Regional Health Program Delivery Strategy 2013-2017

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Executive Summary

Introduction

This delivery strategy defines the specific contribution of Australian aid under the Department's Pacific regional health program to improved health outcomes in the Pacific region. The strategy identifies targeted regional investments that, over the period 2013-2017, will complement country-level investments to improve health outcomes for Pacific Islanders.

Problem analysis

The overarching development problem to be addressed by this delivery strategy is the low and stagnating health status in Pacific Island countries. In the Pacific, continuing challenges relating to maternal and child health and communicable diseases coexist with a rapidly increasing burden from non-communicable diseases (NCDs). In addition to the impact on health outcomes, this has resulted in increasing health costs at a time when budgets are unlikely to increase in most countries.

The range of factors contributing to this situation include weak health systems providing incomplete coverage of essential health interventions; poorly addressed lifestyle risk factors fuelling the NCD epidemic; tertiary health care consuming an increasingly unsustainable proportion of national health budgets; and underperforming national and regional governance mechanisms. In addition, development partner support for health, whilst substantial, is often fragmented, inefficient and poorly aligned with national priorities and systems.

The unique context of the Pacific with small, disbursed populations required highly effective regional health support. Given their size, most Pacific Island countries do not have the capacity to sustainably provide the full range of health expertise, functions and services necessary to improve health outcomes to desired levels. This situation is magnified in small island states. In this context, there is a case for regional investment and collective action that complements country-level activities. Without such appropriate regional interventions, countries may have gaps in provision of essential services or they may invest their limited health resources in unsustainable, expensive and potentially unsafe local provision of services.

To date, Pacific health regionalism has not been fully effective in contributing to improved health outcomes in the Pacific. There is now emerging an improved regional health governance architecture that is well positioned to steward regional actions. This can support countries to explore more efficient and effective regional solutions in areas such as procurement, specialised training, tertiary care provision and disease surveillance.

The current Australian regional health program largely reflects the broader challenges in Pacific health regionalism. Problems include variable impact at country level; high reliance on unsustainable project-based approaches; high transaction costs; and insufficient integration of regional programs at the country level with government and donor coordination mechanisms and activities. In addition, the regional health program has not been sufficiently pro-poor or addressed the critical cross-cutting issues of gender equity and disability-inclusive development in a strategic or systematic fashion.

Theory of change

The high level development outcome that the Australia will support through its Pacific regional health program is the improved health of all Pacific Island people. The Department's draft *Pacific*

Health Development Agenda identifies a number of strategies necessary to achieve this outcome, including:

- countries developing policies and priorities that reflect their needs and resources
- information being used to assess performance and inform investment decisions
- reforms to improve cost-effectiveness and sustainability of service delivery
- more effective regionalism in health
- improving the value of technical cooperation.

The specific role of Australia's regional aid program in improving health outcomes in the Pacific is to drive more effective regionalism in health through supporting targeted regional functions that complement country-level actions.

The theory of change is premised on strengthened regional health governance arrangements driving more effective regional interventions to support sustainable health system development in countries. The proposed five-year program outcome for the regional health program is:

> *Selected regional health functions are efficiently and effectively supporting Pacific Island countries to develop and deliver cost-effective, quality and equitable health policies and services to their citizens.*

Seven priority intervention areas have been identified for the future regional health program that are aligned with three of the objectives of the Australia's broader Pacific regional program strategy:

Strengthen performance of regional architecture

1. Effective regional health policy and governance

Region-wide norms and standards

2. Disease surveillance and response

Provide specialised services

3. Research and analysis
4. Tertiary care policy, technical support, capacity building and provision
5. Specialised health worker training
6. Joint county level technical cooperation
7. Service delivery innovation.

This delivery strategy proposes an expenditure range for the regional health program between $15 million per year and $25 million per year ($75-$125 million over five years). The actual level of expenditure will be determined by the effectiveness of regional and country health governance mechanisms, the absorptive capacity and performance of implementing partners, and available aid budgets. In some cases, regional health investments will need to be prioritised.

Transition from the existing program to the new program will be undertaken in a staged fashion over a period of 18 months, in collaboration with implementing partners and Pacific Island countries. Throughout design, special consideration will be given to ensure the needs of microstates, women and girls, the poor and people with disability are appropriately addressed and incorporated into programming. A performance assessment framework and a risk matrix have been developed to assist in reporting on results and managing risk over the five years of delivery strategy implementation.

1 Context: The Critical Development Issue

1.1 Introduction

This delivery strategy is focused on the specific contribution of the Australian aid under the Pacific regional health program to improved health outcomes in the region.[1] The strategy has been developed over a 12 month period, involving extensive analysis and consultation. Key steps in the process have included:

- independent reviews of current initiatives supported through the regional health program
- structured consultations with key stakeholders in the region around the needs of the region, strengths and weaknesses of the current program, and possible future options for support
- consultation (including peer review) on a Concept Note that outlined possible options for the future regional health program
- oversight, input and approval from a Reference Group consisting of Pacific regional and bilateral staff, economists, health specialists and external expertise
- commissioned and internally developed analytical papers to explore program options
- "One team" workshops of Canberra and Suva program and specialist staff to agree and finalise the strategy
- independent appraisal and peer review of the delivery strategy prior to finalisation and approval by the First Assistance Secretary, Pacific Development Division.

1.2 Pacific context[2]

Australia is both a development partner to individual nations in the Pacific, and a member of regional governance and policy-making bodies. The Pacific governance architecture recognises the important role of regional approaches in contributing to sustainable country development. The Pacific Islands Forum (PIF) provides an overarching political structure for regional leadership. There are also sub-regional political groupings which reflect the diversity across the region – including the Small Island States grouping and the Melanesian Spearhead Group. The Secretariat of the Pacific Community (SPC) provides regional technical and other support to countries and multilateral agencies are active providers of regional and national support in the Pacific.

PIF leaders have signed up to the *Cairns Compact on Strengthening Development Cooperation.*[3] This compact sets out actions to improve the coordination and use of development resources in the Pacific, in line with international best-practice as expressed in the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action.*[4]

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[1] The regional health program draws on the Regional Suva and Regional Canberra Program Funds. In addition to the regional program, Australian aid also provides health support to the Pacific via bilateral programs, global partners (e.g. core funding to UN agencies, global health funds) and cross-agency funding programs (e.g. AusAID-NGO Cooperation Program).

[2] The Pacific Island countries and territories are: American Samoa, Federated States of Micronesia, Samoa, Cook Islands, Nauru, Solomon Islands, Fiji, New Caledonia, Tokelau, French Polynesia, Niue, Tonga, Guam, Commonwealth of the Northern Mariana Islands, Tuvalu, Kiribati, Palau, Vanuatu, Republic of the Marshall Islands, Pitcairn Island, Wallis and Futuna,

[3] http://aid.dfat.gov.au/countries/pacific/pages/cairnscompact.aspx

[4] http://www.oecd.org/development/effectiveness/34428351.pdf

Pacific countries also support a broader approach to regionalism as identified in the *Pacific Plan.*[5] This Plan, endorsed by PIF leaders in October 2005, aims to strengthen regional cooperation and integration in order to stimulate economic growth, sustainable development, good governance and security for Pacific countries.

The *Pacific Plan* was recently reviewed and it was found that "Regional cooperation and integration to help overcome [Pacific Island countries'] vulnerabilities and dependencies is more important than it has ever been."[6] The September 2013 PIF Leaders Meeting agreed that the *Pacific Plan* should be re-launched as 'A New Framework for Regional Integration' and that the governance, systems and incentives that surround the deliberations of the *Pacific Plan* also need to be addressed. The new Framework should:

- advance the political and institutional aspects of regionalism (as opposed to being a "co-ordinating mechanism" for region-wide activities)
- cover only regional initiatives and be supported by processes that ensure the initiatives pursued are manageable in number, of the highest priority, require the attention of PIF Leaders and drive increased integration.

1.3 Australia's Pacific regional development program

Australia provides approximately $1.1 billion in development assistance to the Pacific each year.[7] Of this, around 80 per cent is provided through bilateral programs and the remaining 20 per cent via the regional program.

The Department's Pacific Development Division is developing a program strategy to guide its regional investment. The strategy will emphasise that the regional program should not duplicate or act as an alternative to well-focused bilateral initiatives. Rather, regional investments will concentrate on truly regional functions where pooled resources and a common approach to region-wide issues complement country-level actions in order to achieve greater impact. Early analytical work has identified the following strategic objectives for the regional program:

- strengthen the performance of regional architecture
- manage shared natural resources
- promote economic integration
- provide specialised services
- promote region-wide norms and standards.

A critical principle of the new strategy will be subsidiarity: where action can be taken most efficiently and effectively at local or national levels, the regional program should not have a role. This means that the role and scope of regional activities in supporting countries will vary according to the size and capacities of each country.

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[5] http://www.forumsec.org/pages.cfm/about-us/the-pacific-plan/

[6] Pacific Islands Forum Secretariat, Circular No.143/13

[7] http://aid.dfat.gov.au/Publications/web/australias-international-development-assistance-program-2013-14/Documents/budget-2013-14-blue-book.pdf

1.4 Core health development problem in the Pacific

Across the Pacific, health challenges are varied and evolving. The burden of disease is high with notable differences between Melanesia and other parts of the region. For example, Papua New Guinea, Solomon Islands and Vanuatu have higher rates of infectious disease and ongoing challenges relating to maternal and child health. Across the Pacific, the slowly declining communicable disease burden is being replaced, and in some cases exceeded, by a rapidly growing burden of non-communicable diseases (NCD) and injury.[8] The net effect is that overall health status is only slowly improving and, in some countries, stagnating or even deteriorating. National health budgets are under increasing pressure as the disease burden evolves and public expectations of what the health sector should provide increase.

Low and stagnating health status in Pacific Island countries is the overarching development problem to be addressed by this delivery strategy is the. A range of factors contribute to this problem, including:

- an increase in the lifestyle risk factors that fuel the NCD epidemic (e.g. tobacco use, physical inactivity, the harmful use of alcohol and unhealthy diets)
- weak health systems that provide incomplete coverage of cost-effective clinical and public health interventions to address priority health issues
- tertiary health care (e.g. hospitals and specialist services) that consume an increasing and unsustainable proportion of national health budgets
- regional and national health governance mechanisms that are ineffective in identifying, implementing and monitoring sound policy and spending to improve health outcomes
- development partner support for health in the region that, whilst substantial, can be fragmented, poorly aligned with country priorities and systems and relatively inefficient in addressing the causes of poor health outcomes.

Given their size, most Pacific Island countries do not have the capacity to sustainably provide the full range of health functions and services necessary to improve health outcomes to desired levels. This situation is magnified in small island states. Where essential health functions cannot be provided within all countries, there is a case for regional investment and collective action that complements country-level activities. Without such appropriate regional interventions, countries may have gaps in provision of essential services or they may invest their limited health resources in unsustainable, expensive and potentially unsafe local provision.

While there is a case for targeted regional investments in health in the Pacific, historically regional health functions have not fully supported health improvements in a number of ways. For example:

- regional health governance mechanisms are fragmented (which creates high transaction costs), are not well linked to the PIF architecture and have at times set unrealistic or inappropriate policy, norms and standards for health which makes policy and priority setting in countries even more difficult
- regional governance arrangements have not worked effectively to address problems where collective action is necessary to lay the foundations for improved health (e.g. healthy trade policy, pooled procurement, cross-boundary disease surveillance and response)

[8] Global Burden of Disease analysis: http://www.healthmetricsandevaluation.org/gbd

- regionally-based provision of technical assistance has often been supply-driven, not country-specific and not linked to national plans and budgets
- regional health interventions have had insufficient focus on promoting equitable health outcomes.[9]

In summary, regional investments have a critical and targeted role to play in improving health outcomes in the Pacific but are not currently strongly effective in complementing country-level activities. Reform is needed to strengthen regional governance and ensure regional activities are focused on truly regional functions, are transparent, country-driven, pro-poor and matched to the differentiated needs of countries.

1.5 Australia's Pacific health strategy

The draft *Pacific Health Development Agenda* provides the overall strategic direction for Australia's health support to the Pacific. The overarching objective for Austraila's Pacific health investments (bilateral, regional and global) is:

> To save lives and improve health by ensuring all Pacific Island people have access to the essential and affordable health care and prevention interventions necessary to meet the health Millennium Development Goals and pursue Healthy Islands.

The Agenda sets three strategic priorities to guide Australia's support to the region:

1. ensure access of Pacific populations to the cost effective essential interventions necessary to improve health outcomes
2. ensure Pacific nations make the most efficient use of the resources available for health improvement
3. build and maintain the education sector's capacity to train health workers.

The Agenda identifies that more effective health regionalism in the Pacific is critical to improving health outcomes. A regional approach can provide coordination and significant economies of scale, particularly for the smallest Pacific Island countries. The Agenda notes, however, that regional action should not replace national health functions but should support and complement them in areas where regional approaches can add value to national efforts.

Annex A provides a summary of the main elements of the Agenda.

1.6 Australia's Pacific regional health program

Australia currently provides approximately $200 million a year in health assistance to the Pacific, including $110 million to Papua New Guinea alone. Of the remaining $90 million, approximately $20-25 million per year has been provided through the regional health program. The current regional health program comprises 15 current and recent regional initiatives delivered through 11 partner agencies, operating in up to 21 Pacific Island countries and territories (a list of initiatives is provided at Annex B).

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[9] Without an explicit 'pro-poor' focus, the benefits of regional interventions can be disproportionally skewed towards higher capacity countries or less disadvantaged groups within countries.

Whilst the regional program has provided significant support to the Pacific, to date there has been no overarching strategy to guide Australia's regional health investments. The activities supported under the regional health program are a mixture of regional functions and country-level programs and activities. The dominant programming modality has been to fund the programs of UN agencies, Pacific regional organisations and non-government organisations. With a few exceptions of truly regional activities (e.g. specialist training at the College of Medicine, Nursing and Health Sciences, Fiji National University), the current suite of initiatives are predominantly multi-country in nature, have a top-down regional management structure, and operate within the context of each implementing agency's organisational rules and incentives. This limits their capacity to meet the diverse needs of individual countries.

In aggregate, the program is not achieving the level of results at country level that an expenditure of this magnitude should. Independent reviews of individual activities within the regional health program have identified several common problems:

- variable impact at country level
- limited country ownership and sustainability of activities, with implementing agencies accountable to the Australian Government rather than the countries they serve
- fragmented and duplicative activities that are not well aligned to country systems and priorities
- reliance on project-based approaches with significant governance and implementation focus on the operational level (inputs, processes, outputs) and insufficient focus on strategic management and impact on health outcomes
- weakness in addressing gender, disability and equity as cross-cutting issues
- weak monitoring and evaluation systems
- limited capacity of implementing staff to focus at the strategic level, compounded by high levels of administration and reporting.

There is also evidence that the current model for delivery of Australia's regional health program through multiple regional and multilateral agencies is inefficient and comes with high transaction costs. For example, a study of health regional meetings in the Pacific identified 52 regional health mechanisms and 14 one-off meetings in a 12 month period. This resulted in many senior Pacific health officials spending more than 50 per cent of their time out of the office attending meetings.[10] Many of these meetings are funded – directly or indirectly – through Australia's regional health program. There is also evidence that, at the country level, Australia's regional health program is not well integrated with government and donor coordination mechanisms and activities. Additionally, current funding agreements make activity tracking difficult and accountability for performance and results (particularly at the country level) hard to enforce.

The provision of technical assistance has been a major component of the regional program as capacity is limited across the region, however the present top-down mechanisms have had limited effectiveness. Technical support needs to be better aligned to national strategies and country needs rather than driven by institutional agenda or the in-house skill mix of the agencies providing it. Support is required to enable countries to become informed purchasers of technical assistance and to plan and coordinate purchasing arrangements.

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[10] http://devpolicy.org/so-many-meetings-so-little-impact/

The regional health program is failing to effectively leverage the full benefit of Australia's regional investment at the country level. In many Pacific Island countries, Australian aid directly or indirectly funds the majority of donor health programs (e.g. through SPC, multilateral agencies, the Global Fund, etc.), yet it is only Australia's bilateral funding to the government that is the subject of Partnership for Development talks and other policy and performance discussions.

Strengthening disability-inclusive development and gender equity are stated priorities for Australia's Pacific program. As a major service delivery sector, health has a key role in progressing these priorities, yet the regional health program has not addressed these areas in any strategic or systematic fashion. Similarly, the regional health program has not targeted the poor in order to reduce health inequities in Pacific Island countries.

This delivery strategy provides a basis for reform Australia's Pacific regional health program to address the limitations outlined above.

2 Theory of Change

2.1 Theory of Change

The theory of change underpinning this delivery strategy is summarised in Figure 1.

The high level development outcome Australian aid is contributing to is the improved health of all Pacific Island people. This means not only that health will be improved on average, but that health equity will also be improved, reducing disparities relating to geography, gender, disability and socioeconomic status.

To achieve this outcome, the *Pacific Health Development Agenda* identifies five core change strategies.

1. *Countries developing policies and priorities that reflect their needs and resources.* National health plans and budgets need to be realistic, costed and evidence-based.
2. *Information used to assess performance and inform investment decisions.* Evidence is available upon which sound investment decisions can be made and performance assessed.
3. *Reforms to improve cost-effectiveness and sustainability of service delivery.* The right services are provided in the most cost-effective and sustainable manner, including assisting countries to manage expectations and to build a constituency for multi-sectoral prevention.
4. *Encouraging more effective regionalism in health.* Countries improve coordination and achieve economies of scale through agreement on efficient provision of regional functions.
5. *Improving the value of technical cooperation.* Shifting the balance from supply-led technical assistance to demand-driven cooperation that is clearly aligned with government priorities and systems and uses high quality models for capacity support.

As outlined in Section 1, Pacific health regionalism in general, and Australia's regional health program in particular, have not fully contributed to these change strategies. Central to this failure has been the lack of effective, country-owned regional health governance mechanisms to drive legitimate collective action that adds value to country-level health activities. In addition, multilateral and regional organisations, often driven by donor funding incentives, have not sufficiently distinguished between regional and country accountabilities, often resulting in relatively inefficient and ineffective regional and country-level support.

The theory of change for regionalism in health is premised on strengthened and more politically relevant regional health governance arrangements driving more effective regional interventions to support sustainable, quality country level health system development. Australia will directly engage with and support the operation of these governance arrangements, and will use its policy engagement and funding incentives to drive multilateral and regional organisations to deliver strengthened regional and country-level health improvement actions.

The theory of change is underpinned by the following understandings:

- given their size, Pacific Island countries do not have the capacity to sustainably provide the full range of health functions and services necessary to improve health outcomes to desired levels, hence there is a case for regional investment and collective action that complements country-level activities

- legitimate, effective, Pacific led regional governance arrangements are necessary to define and support regional functions that add value to the efficiency and effectiveness of country health systems
- the Pacific Plan review process and the leadership of the PIF and SPC, along with Pacific heads of health departments/ministries, is providing the political space for the emergence of a legitimate regional health governance mechanism (early progress has been made with the establishment of an annual secretaries/directors of health meeting and plans to strengthen links between health ministers and PIF leaders)
- there are some nascent, necessary regional functions currently supported by regional organisations and donors (such as specialised training, surveillance, tertiary care planning and provision, research) that will benefit from stronger regional governance and can be strengthened through targeted technical support
- UN, regional and non-government organisations will respond to policy engagement and funding incentives to change their way of working, so that it is better harmonised with regional leadership and country level planning, budgeting and capacity building processes. Early steps are being made by WHO, UNICEF and UNFPA who are developing a joint approach to country-based maternal and child health programming.

2.2 Program Objective

In the context of the theory of change, the particular role of Australia's regional health program investments is to support effective regionalism for health in the Pacific. The five-year program outcome for Australia's regional health program is:

> *Selected regional health functions are efficiently and effectively supporting Pacific Island countries to develop and deliver cost-effective, quality and equitable health policies and services to their citizens*

2.3 Program Outcomes

The regional health program will be aligned with three of the strategic objectives of Australia's broader regional program:

1. *strengthening regional architecture* through supporting Pacific regional and national health governance mechanisms to develop and implement effective regional health policies and services
2. *promoting regional norms and standards* in the area of disease surveillance and response
3. *providing specialised services* in selected areas of research and analysis, tertiary care, specialised health worker training, technical cooperation and service delivery innovation.

In terms of Australia's policy and programmatic engagement, this translates into seven substantive areas of intervention for the regional health program.

Table 1. Pacific Regional Health Program objectives, intervention areas and outcomes

Objective	Intervention areas[11]	Associated end-of-program outcome
Regional health architecture effective	1. Effective regional policy and governance	Pacific Governments agree on, and oversight the delivery of a set of health sector functions that are delivered regionally
Regional norms and standards promoted	2. Disease surveillance and response	Regional disease surveillance, health information, epidemiological investigation and response needs are met
Selected specialised services provided regionally	3. Research and analysis	Targeted quality research and analysis supports evidence-based decisions
	4. Tertiary care policy, technical support, capacity building and provision	Targeted elements of tertiary care policy, capacity building and services efficiently and safely provided.
	5. Specialised health worker training	Appropriate range, quality and number of specialised health workers are trained for the region
	6. Joint county-level technical cooperation	Country-level technical cooperation of multilateral and regional organisations is jointly coordinated, high quality and driven by countries' identified needs
	7. Service delivery innovation	Selected cost-effective health services that are not fully prioritised by Pacific Island country governments are met

For each intervention area, there are a range of intermediate outcomes and outputs, examples of which are included in Figure 1.

Within the theory of change for regionalism in health set out in Figure 1, there is a distinction between intervention areas that are truly regional in whole or part (pink boxes in Figure 1 - regional governance; disease surveillance and reporting; specialised health worker training; aspects of tertiary care; and research and analysis) and country-level functions that are supported through a regional modality (blue boxes - technical cooperation; service delivery innovation).

The strategy proposes to support targeted country-level functions through the regional program on the basis that the dispersed, small populations in the Pacific require ongoing technical cooperation that cannot always be sourced or provided at country level. Where national functions are supported through a regional modality, future support will need to adhere to aid effectiveness principles.

2.4 Excluded Options

A broad range of options was considered for inclusion in the regional health program, but not all were accepted as being feasible or appropriate at this time. The rationale for excluded options is outlined below.

[11] Note: The seven areas of intervention are not expected to translate to seven associated programs. It is anticipated that streamlined programming modalities can be designed that address more than one intervention area through activities.

Multi-country grant programs

The provision of regionally funded, multi-country grants to governments and non-government agencies in the Pacific has been at odds with aid effectiveness principles. Despite attempts to improve the model, multi-country support has tended to be verticalised, supply-led, poorly-co-ordinated, and adopting a one-size-fits-all approach that neglects the diverse needs of Pacific Island countries.

Australia is working with WHO and SPC to ensure that ending programs (e.g. 2-1-22 Pacific Regional NCDs Program; Pacific HIV/STI Response Fund) do not leave important and effective national and regional activities unsupported. This involves identifying which elements of these programs were effective and efficient; which of these should be supported regionally versus nationally; and what the best mechanisms are to achieve this. Design process will be undertaken, in cooperation with key partners, to ensure effective transition between current and future arrangements and, where necessary, the maintenance of support for key functions.

Regional/pooled procurement support

There are theoretical benefits to regional pooled procurement of health commodities (e.g. vaccines, contraceptives, drugs, assistive technologies, etc.) and, if a workable model emerges in the Pacific, Australia would consider supporting it. However this is a highly politicised and contested area, and at present there is no regional imperative to take it forward – hence it is not prioritised for support at this stage.

In the meantime, the regional health team will work through Australia's global programs to support UN agencies to:

- continue to provide agreed donor-managed pooled procurement arrangements (e.g. vaccines, contraceptives)
- assist Pacific Island countries to strengthen national procurement systems
- improve transparency around procurement processes (e.g. prices).

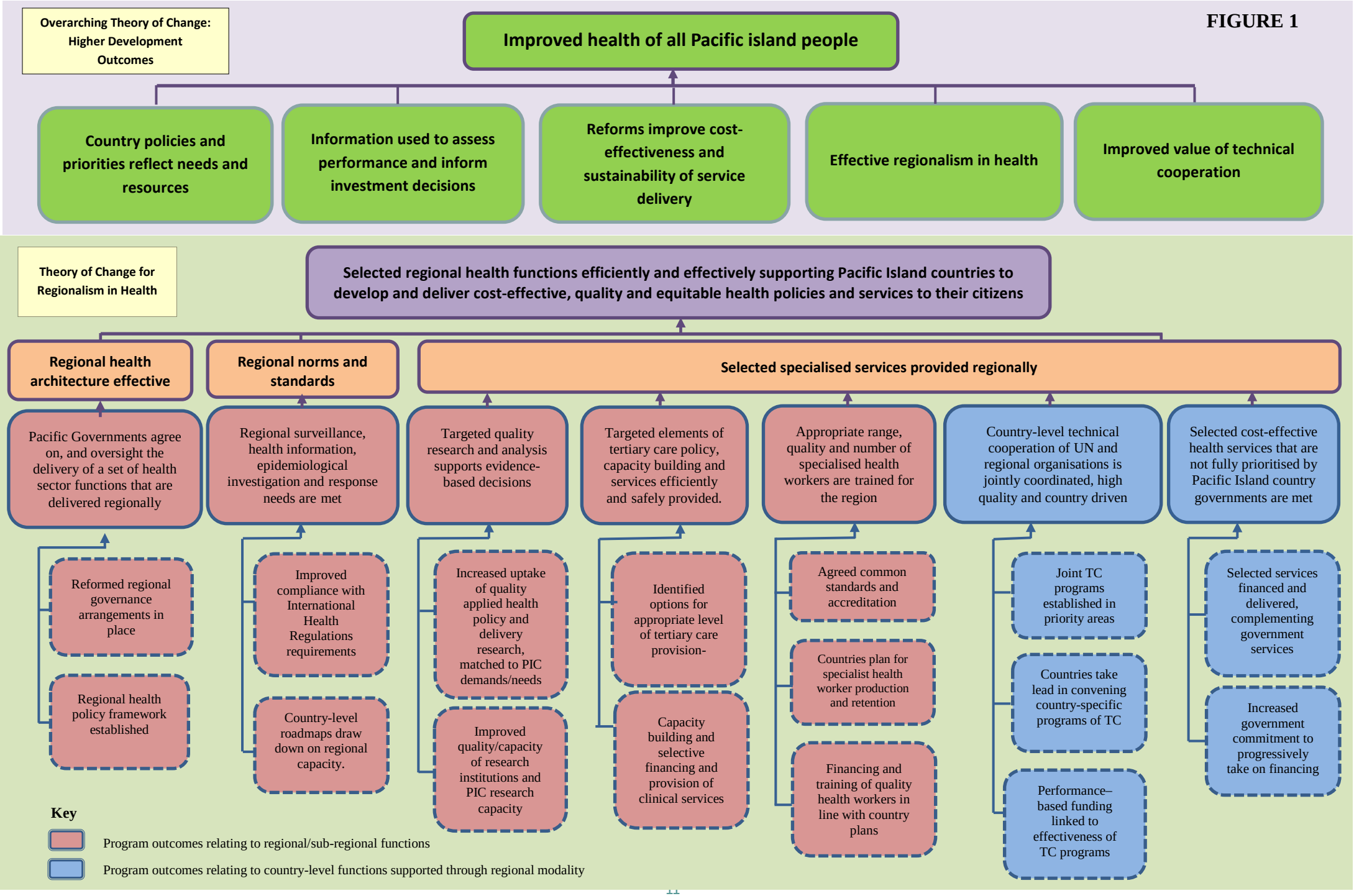
Pacific health fund

As is the case for regional pooled procurement, there are theoretical benefits to the approach of pooling donor and government funds for regional health functions and, if a workable model emerges in the Pacific, Australia would consider supporting a Pacific health fund. However, at present there is no regional imperative to take it forward.

Small scale, community-based NGO grants programs

There is limited evidence that regionally provided multi-country support to NGOs has been effective in the past, particularly in the area of health promotion and behaviour change. Ideally, support to NGOs would be incorporated within bilateral programs to ensure it is well targeted, appropriate, and complementary to broader sector development efforts. It is not considered efficient or effective to run small scale NGO grant programs through regional programs.

FIGURE 1


Overarching Theory of Change: Higher Development Outcomes
Improved health of all Pacific island people
Country policies and priorities reflect needs and resources
Information used to assess performance and inform investment decisions
Reforms improve cost-effectiveness and sustainability of service delivery
Effective regionalism in health
Improved value of technical cooperation
Theory of Change for Regionalism in Health
Selected regional health functions efficiently and effectively supporting Pacific Island countries to develop and deliver cost-effective, quality and equitable health policies and services to their citizens
Regional health architecture effective
Regional norms and standards
Selected specialised services provided regionally
Pacific Governments agree on, and oversight the delivery of a set of health sector functions that are delivered regionally
Regional surveillance, health information, epidemiological investigation and response needs are met
Targeted quality research and analysis supports evidence-based decisions
Targeted elements of tertiary care policy, capacity building and services efficiently and safely provided.
Appropriate range, quality and number of specialised health workers are trained for the region
Country-level technical cooperation of UN and regional organisations is jointly coordinated, high quality and country driven
Selected cost-effective health services that are not fully prioritised by Pacific Island country governments are met
Reformed regional governance arrangements in place
Regional health policy framework established
Improved compliance with International Health Regulations requirements
Country-level roadmaps draw down on regional capacity.
Increased uptake of quality applied health policy and delivery research, matched to PIC demands/needs
Improved quality/capacity of research institutions and PIC research capacity
Identified options for appropriate level of tertiary care provision-
Capacity building and selective financing and provision of clinical services
Agreed common standards and accreditation
Countries plan for specialist health worker production and retention
Financing and training of quality health workers in line with country plans
Joint TC programs established in priority areas
Countries take lead in convening country-specific programs of TC
Performance–based funding linked to effectiveness of TC programs
Selected services financed and delivered, complementing government services
Increased government commitment to progressively take on financing
Key
Program outcomes relating to regional/sub-regional functions
Program outcomes relating to country-level functions supported through regional modality

3 How Australia Will Deliver its Support

3.1 Guiding principles

The regional program's role in supporting improved health outcomes in the Pacific will be informed by the following key principles:

- grounded in and driven by legitimate, robust Pacific health governance and policy engagement
- aligned to, complementing and leveraging bilateral, global and partner government health programs
- adhering to the principle of subsidiarity: where action can be taken most efficiently and effectively at national level, the regional program will not have a role
- delivered through fewer, larger and longer-term activities that promote sustainability and predictability
- ensuring consistency with the principles and practices of aid effectiveness – ownership, alignment, harmonisation, results and mutual accountability.

3.2 Policy engagement

Effective policy dialogue will be critical to the achievement of the identified objectives of the delivery strategy.

At the regional level, Australia will engage with Pacific political and health leadership on the nature and focus of health governance arrangements and policy initiatives to improve health outcomes. A key objective of this engagement will be linking regional health governance to country-level accountabilities, and to the broader regional political architecture (i.e. PIF). The regional program will also engage in whole-of-government processes to develop and prosecute particular regional policy agendas, such as: regional actions to address the NCD epidemic (e.g. trade reform); opportunities to improve the efficiency of country-level health systems (e.g. through possible pooled provision of training and services); and actions that benefit women, the poor and people with disability.

Important opportunities for regional policy dialogue include the biennial Pacific Health Ministers Meeting, the annual Secretaries/Directors of Health Meeting and meetings under the PIF architecture, as well as Australia's bilateral relationships with multilateral agencies, regional organisations, NGOs and academic institutions.

Policy dialogue at the country level will also be essential to maximise the impact of Australia's regional investments. Partnership for Development talks and other policy and performance discussions will provide a mechanism for Australia and partner governments to jointly assess the performance of regional programs at the country-level. The delivery strategy identifies that Australia will need to articulate a clear *quid pro quo* for its support for specialised services through the regional program; namely, that Australia's engagement with tertiary care financing

and provision will be in the context of countries appropriately prioritising and funding primary and secondary care. Whilst the capacity of Australia's regional investments to directly achieve change in country prioritisation is limited, it can be used to prompt discussion with governments on this issue and mutual accountability at the country level.

3.3 Program interventions

Effective regional policy and governance

Objective

To support reform to regional health governance arrangements aimed at ensuring effective decision-making and accountability to Pacific Island countries.

Rationale for inclusion

Effective regional policy and governance is critical for Pacific stakeholders to sustainably identify and manage regional functions in health. In addition, effective regional health architecture should assist countries to focus on implementing agreed regional priority actions at country level. Current governance arrangements are fragmented (which creates high transaction costs), are not well linked to the PIF architecture and not always responsive to country needs.

A review of the *Pacific Plan* during 2013 has provided an opportunity to revitalise and strengthen regional health governance arrangements. As part of this process, regional development partners (including Australia) helped establish the inaugural Pacific Secretaries/Directors of Health meeting in April 2013. This meeting laid the foundation for improved regional health governance architecture through the establishment of an annual meeting of Pacific secretaries/directors of health (with direct links to the PIF) and agreement to the development of a Pacific Health Framework to guide regional health actions.

This foundation will enable further improvements to regional health governance over time including streamlining arrangements to reduce fragmentation. The exact form of future governance arrangements will be determined by Pacific-led processes, which Australia will actively support.

Nature of future support

Australia's regional health program will:

- engage with Pacific political and health leadership on the nature and focus of regional health governance arrangements and policy initiatives to improve health outcomes
- provide financial and technical support (along with other partners) for future regional governance arrangements and policy development.

Changes required to Australia's regional health program

Australia will invest in enhanced health policy and technical expertise to more purposefully and effectively engage with the emerging regional health governance process. Funding and technical

support for the governance mechanisms will be provided through existing partner arrangements rather than through stand-alone activities.

Potential partners

- Pacific Island country governments.
- Regional organisations and development partners (e.g. PIF Secretariat, SPC, WHO).
- Australian whole-of-government partners, including the Department of Health.

Disease surveillance and response

Objective

To enable cross-regional health information, disease surveillance, epidemiology, investigation and response needs for the region to be met.

Rationale for inclusion

There are international requirements for countries to report and respond to certain notifiable diseases and outbreaks which require common protocols (International Health Regulations 2005[12]). This requires a range of functions (e.g. standard protocols, laboratory confirmatory tests and quality assurance) that do not exist in all countries therefore there is a role for regional capacity in these areas. In addition, the potential for cross-border disease outbreaks means there is a shared interest in ensuring countries respond appropriately to outbreaks and cooperate regionally on containment approaches.

There is also an important technical regional support function for countries to develop and sustain appropriate health information systems. There is regional 'value add' in having common approaches to data collection and analysis to improve the efficiency of regional technical support and the comparability of data and performance. The availability of basic health information is critical to country and regional results discussions, and to the planning and evaluation of health interventions.

Nature of future support

Australia's regional health program will provide financial and technical support to maintain and strengthen health information systems, reporting, testing, investigation and response mechanisms, including supporting countries to meet the requirements of the International Health Regulations.

Changes required to Australia's regional health program

Previously, Australian and New Zealand aid has funded a specific project in this area – the Pacific Regional Influenza Pandemic Preparedness Project – which was jointly implemented by WHO and SPC. A 'projectised' approach to the regional aspects of disease surveillance and

[12] http://www.who.int/ihr/en/ kl

response is no longer seen as appropriate as this is an ongoing need for the region for which sustained capacity must be supported.

Globally, WHO is the recognised lead agency in these areas with a reputation for effective support. In the Pacific, SPC also has an important role to play. Australia will promote coordination and division of labour between WHO and SPC in line with their mandates and strategic plans. Australia will also encourage alignment of their support for national efforts to strengthen health information systems, disease surveillance and response systems.

Potential partners

- WHO
- SPC
- Pacific and International academia

Research and analysis

Objective

To support quality research and analysis that underpins evidence-based decision-making regionally and nationally.

Rationale for inclusion

Quality knowledge production is critical to effective health policy and service delivery, however the required critical mass for research capacity is beyond the ability of many Pacific Island countries to maintain. To date, there has been limited evidence of countries identifying and driving a regional health research agenda that responds to their knowledge gaps. Rather, research is often 'supply-led' by academics.

Nature of future support

Australia's regional health program will provide financial and technical support to build the capacity of research institutions to plan, implement and disseminate quality applied health policy and delivery research that meets Pacific Island countries' knowledge needs. In line with key Pacific heath issues, priority research foci may include health systems (in particular health financing); NCD prevention and control; sexual and reproductive health, and communicable diseases in areas where there is an unfinished agenda.

Changes required to Australia's regional health program

Australia will continue to support research conducted by the College of Medicine, Nursing and Health Sciences, Fiji National University (research is currently supported through funding for the College's strategic plan) with a strengthened focus on maximising links to Pacific research priorities and other institutions. Australia may also support research conducted by SPC, as prioritised in its *Public Health Division Strategy 2013-2022* (in development). It is anticipated that health analysis will continue to be a priority under future iterations of Australia's Pacific Facility agreement with the World Bank which may include regional analytic work.

Australia may consider supporting other research institutions in Pacific countries and internationally through the regional program. Any such support would need to align to the Australia's broader aid research agenda.

Potential partners

- Fiji National University
- SPC
- World Bank
- Other institutions in Pacific countries and internationally

Tertiary care policy, technical support, capacity building and provision

Objective

To support efficient and appropriate tertiary care policy, technical support, capacity building and service provision.

Rationale for inclusion

In the Pacific, continuing challenges relating to maternal and child health and communicable diseases coexist with a rapidly increasing burden from NCDs. This has resulted in increasing health costs at a time when budgets are unlikely to increase in most countries. The NCD treatment burden in particular is driving increasing expenditure on tertiary care at the expense of cost-effective primary and preventive services. The provision of specialist health services and overseas medical referrals, if not well managed, can exacerbate this tension by creating unaffordable expectations in government, among health workers and in the population. There are also national capacity constraints in the more specialised areas of tertiary care provision.

Driving efficiency in hospital services is essentially a country concern, yet there is considerable expertise in the region and beyond that can support these processes. Australia's regional health program can play a role in supporting policy and technical engagement with countries to identify more efficient ways to provide an appropriate level of tertiary care. Such support through the regional program should deliver country-specific technical assistance that is costed, linked to national policies and plans, avoids duplication and is grounded in a capacity building framework.

Nature of future support

Australia's regional health program will:

- support analytical work to identify options for cost containment, financing and alternative service provision and financing models on a country basis
- where cost-effective, selectively finance provision of agreed clinical services, including testing the efficiency and effectiveness of regional financing and delivery models
- where appropriate, support capacity building at the country level so that countries can effectively conduct clinical service planning and manage external tertiary care inputs in line with their plans.

Changes required to Australia's regional health program

Australia will continue to support a pool of clinical specialists serving the region and coordination mechanisms to ensure this is well matched to country demand. Subject to further analysis, there may be alterations to the current model to improve the efficiency of specialist visits. It will be important to strengthen coordination of service delivery with specialised training and mentoring to assist with quality and capacity development in Pacific Island countries.

The Biomedical Equipment Maintenance Program will be assessed as to whether it should continue to be part of the regional health program, or whether its function could more appropriately and efficiently be met through bilateral arrangements.

Australia will need to articulate a clear *quid pro quo* for its support for specialised services through the regional program. This mutual accountability will be explicitly reflected in Partnerships for Development or other bilateral agreements. Whilst the capacity of Australia's regional investments to directly influence country prioritisation is limited, it can be used to prompt discussion with governments on this issue.

The program will need to ensure that issues of equity are monitored and addressed when providing tertiary care. The design for this intervention area should include analysis of the current (and likely future) demands for tertiary care provided at regional levels, the ways in which this will be managed, and the most appropriate governance arrangements to ensure that tertiary care policies are developed, agreed by all and implemented.

Over time, there should be a shift from regional provision of technical support for tertiary care policy setting and management of external tertiary care inputs, to sustained national capacity, that can be supported through Australia's bilateral programs where required.

Potential partners

- Royal Australasian College of Surgeons
- Fiji National University
- Partners with appropriate technical and analytical expertise (e.g. World Bank; WHO)

Specialised health worker training

Objective

To support training of the appropriate range and number of specialised health workers for the region.

Rationale for inclusion

The right number and range of health workers are necessary for the quality and sustainability of country health systems. Support should also be given to establishing programs of continuing education, professional support, reaccreditation and career development for specialised health workers – as a basis for retention and quality assurance. Pacific health systems require a range

of specialised health professionals (e.g. clinicians, hospital managers, laboratory and biomedical technicians, etc.) that not all countries can train themselves, therefore there is a role for regional training capacity.

Movement of health workers between Pacific countries and internationally is potentially an important means to resolve specific skills shortages. This requires the development of common standards and accreditation for health worker cadres which is a clear regional function.

Nature of future support

Australia's regional health program will:

- support countries to plan for specialist health worker production and retention, within the context of overall workforce planning at country level
- finance the training of specialised health workers that is aligned to countries' health workforce plans and improves the quality of Pacific training providers
- support Pacific-led processes to identify and agree common standards and accreditation for health workers.

Changes required to Australia's regional health program

Australia will continue to support health worker training through the Fiji National University and the University of Papua New Guinea (UPNG is currently funded through the bilateral PNG program), but it will also consider supporting other training organisations in the region, based on an assessment of country needs and how these can be best met. To date, the focus of Australia's support has been on training clinical health staff; however the pattern of disease burden in the region is changing, requiring a different skills mix which includes health systems support skills, not just health practitioners.

Supporting the development of standards and accreditation for health workers will be a new area of focus for Australia's regional health program. There is currently no institutional home for managing regional accreditation. This will be an initial focus of engagement with the emerging regional health architecture.

Future investments in health worker training will be aligned to the Australia's *Pacific Education and Skills Development Agenda and Delivery Strategy 2013-2021* (in development). The draft Agenda identifies a number of investment principles relevant to health worker training:

- informed purchase of specific outcomes (e.g. quality-assured graduates; improved completion rates; gender equality) rather than simply fund inputs or institutions
- prioritisation of quality of training over expansion, on the grounds that increasing access to programs with poor learning or labour market outcomes is a poor investment
- driving up the quality and labour market relevance of qualifications by using labour market signals and a range of market mechanisms, including purchasing quality-assured places, institutional competition and outcomes-based funding to increase the training sector's focus on performance and to improve the return on the completion of qualifications

- prioritisation of transparency, contestability and accountability at institution and system level, including international benchmarking of performance.

Potential partners

- Fiji National University and potentially other training organisations
- WHO
- Health Professional Associations

Joint country-level technical cooperation

Objective

To ensure that regional inputs to country-level technical cooperation are jointly coordinated, high quality and driven by Pacific Island countries' identified needs.

Rationale for inclusion

Pacific countries have significant needs for technical cooperation to effectively deliver quality health policy and services, particularly in smaller island states. UN agencies (WHO, UNICEF, UNFPA) and SPC are significant providers of technical cooperation (consultants, training, workshops, etc.) for health to countries and there is a high level of reliance on their expertise. Whilst this is predominantly in priority areas, current technical cooperation is often supply-driven and uncoordinated (leading to duplication), and insufficiently grounded in a comprehensive approach to institutional change and capacity building.

There is a strong rationale for the regional health program to continue support in this area given the low capacity of most countries and the strong comparative advantages of UN and regional organisations in providing support. However, the way Australia provides support should incentivise better coordination, quality and performance, in line with the principles and practices of aid effectiveness.

Nature of future support

Australia's regional health program will engage with UN agencies and regional organisations to plan and deliver their country-level technical cooperation in the form of a joint work program that is costed, linked to national policies and plans, avoids duplication and is grounded in a capacity building framework. To incentivise this approach, it is proposed that Australia's support would be, all or in part, performance-based on the production and effectiveness of joint technical cooperation programs. To assess performance, Australia will consider financing an independent monitoring group to report to countries on the quality and effectiveness of technical cooperation.

In a positive recent development, WHO, UNICEF and UNFPA are developing a joint mechanism for improved planning and performance on reproductive, maternal, neonatal and child health (RMNCH) at the country level. The concept envisages country-specific, integrated RMNCH programs based on an assessment of needs, gaps and capacity in each country. The

agencies are planning a three-country pilot and, subject to acceptable performance, progressively implementing this approach across the Pacific.

Australia will also work with SPC and other providers of country-level technical cooperation (e.g. the World Bank; Australian institutions) to plan and deliver country-level technical cooperation that is costed, linked to national policies and plans, avoids duplication and is grounded in a capacity building framework. SPC is currently developing a strategic plan for its Public Health Division which will focus its expertise and activities in areas of regional need that align with its mandate and comparative advantage relative to other organisations.

Changes required to Australia's regional health program

Australia will continue to work with key multilateral and regional organisations in the Pacific. The changes will be around how funding agreements incentivise improved country-level performance and make the organisations more accountable to Pacific Island countries for these improvements. Future Australian extra-budgetary funding for health in the Pacific to these agencies will be linked to their performance in shifting to a new, country-specific business model. Key elements of this new business model include:

- high quality, integrated programs that seamlessly meet the needs of countries, providers and clients – with a particular focus on meeting the needs of the poorest and most vulnerable, including people living with disability
- unambiguous country focus and ownership of the programs, accounting for the diversity within the Pacific
- country programs meaningfully integrated with national health plans, budgets, management, accountability and reporting processes
- technical programs based in a broader health systems strengthening approach, including an understanding of incentives and other drivers of change
- clear and efficient management arrangements, with maximum management and delivery at country level, through a single, empowered, country lead
- monitorable results both in terms of process and outcome
- strong links with Australia's bilateral health programs, including possible management oversight.

Potential partners

- UN agencies
- SPC
- World Bank
- Australian institutions

Service delivery innovation

Objective

To support the delivery of selected cost-effective health services that are not sufficiently prioritised by Pacific Island country governments.

Rationale for inclusion

There are some essential, cost-effective health services necessary to improve the health outcomes of Pacific islanders that are currently not being sufficiently prioritised and funded by Pacific Island governments. The regional health program could have a role as an interim financier of these services provided a number of tests are satisfied:

- there is unmet need, particularly for disadvantaged populations
- the service is cost-effective
- a viable, potentially sustainable service delivery model and provider exists at country level
- there is policy engagement with governments to take on responsibility for supporting the service delivery model over time.

Initially it is proposed that reproductive health (including family planning) service provision via non-state providers be supported under this approach. Currently this meets the first three of the tests above. There is low contraceptive prevalence across the region, particularly for young people. It is a cost-effective and a viable service delivery model and a provider exists in the form of the International Planned Parenthood Federation (IPPF) which delivers family planning services via country-based family health associations. Further work is required to engage with governments to support the model.

Nature of future support

Australia's regional health program will:

- provide targeted financial support for IPPF to deliver family planning services that complement government health services and have a strong focus on integrated sexual and reproductive health service delivery
- undertake policy engagement with Pacific governments with the aim of governments taking responsibility for financing family health associations to deliver services in the future, to ensure longer term sustainability.

Any other future support provided under this service delivery approach would need to meet the tests listed above. Australia will require that service delivery is pro-poor and has a strong focus on gender equity and access for the most marginalised, including people with disability.

Changes required to Australia's regional health program

Australia will continue its engagement with IPPF (including through either global or regional contractual arrangements) to provide contracted family planning services via family health

associations in Pacific Island countries. IPPF's work program should be developed to include a stronger focus on working with Pacific governments to include such services in the basic package of services they fund.

Potential partners

- IPPF

3.4 Cross-cutting priorities

Addressing poverty and strengthening disability-inclusive development, gender equity and support to micro-states are stated priorities for the Pacific program. As a major service delivery sector, health has a key role in progressing these priorities. While some actions are more appropriate through bilateral programs, others can be pursued through the regional program.

Equity

There is significant scope to increase the pro-poor focus of the regional health program. This will be achieved through:

- establishing strategies and targets to ensure the poor have access to services supported by the regional health program in the areas of tertiary care, reproductive health (including family planning) and RMNCH
- proactively identifying strategies to improve the access of the disadvantaged to specialised training opportunities supported through the regional health program
- ensuring regional and national policy and governance actions and research and analysis take account of the differential access and needs of the poor and marginalised.

The regional health program can also have an indirect impact on equity by ensuring the effectiveness of regional health functions that are necessary to support Pacific Island country health systems to address the needs of the poor.

Gender

The *Pacific Women Shaping Pacific Development Program*[13] identifies improved gender outcomes in education and health as a priority. The Strategy states that the program will engage with and provide technical support to health programs to ensure family planning, violence services and maternal and adolescent reproductive health receive adequate support.

The regional health program will address gender through:

- support for reproductive health and family planning service delivery via support to IPPF and the joint UN RMNCH Program

[13] http://aid.dfat.gov.au/Publications/Pages/pacific-gender-equality-strategy.aspx

- inclusion of gender equality targets and activities in Australia's regional policy/ governance engagement, specialised training support, tertiary care support and research/analytical support
- giving greater prominence to violence against women issues, for example through supporting training of health workers that includes medico legal protocols.

Disability

The draft *Pacific Disability Inclusion Delivery Strategy* identifies health as a priority sector for action on disability-inclusive development, particularly in the areas of disability support and specialised services, and access to mainstream health services for people with disability.

The regional health program will help to address barriers and access to services by people with disability by:

- encouraging access to health services for people with disability, including analysis of key regional issues relating to people with disability and health
- supporting health worker training on disability rights and issues, including alignment of existing disability related courses with the Convention on the Rights of Persons with Disabilities, and supporting development of standards for the rehabilitation workforce
- incorporating relevant aspects of the Australia's Accessibility Design Guide[14] into the design and implementation of interventions, particularly focussed on service delivery support for family planning and MNCH
- advocate for increasing engagement with regional and national disabled peoples organisations in regional health processes and activities
- inclusion of disability-inclusive targets and activities as cross-cutting issues in Australia's regional policy/governance engagement, tertiary care support and research/analytical support.

Microstates

The micro-states of Kiribati, Nauru and Tuvalu face particularly challenging development prospects, and they are likely to require external assistance on a much longer-term basis than other Pacific Island countries. In these countries, geographic isolation and small and dispersed populations make the provision of even basic goods and services to residents logistically difficult and expensive, and there are severe human capacity gaps which limit the provision of specialised services across the economy and in the public sector.

Throughout design of all of the interventions identified in this delivery strategy, special consideration will be given to ensure the needs of micro-states, in particular Kiribati, Nauru and Tuvalu, are appropriately addressed. Australia expects that the smaller countries will draw down proportionately greater benefits from regional functions such as specialised health worker training and tertiary care provision than higher capacity countries.

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[14] http://aid.dfat.gov.au/publications/Pages/accessibilty-design-guide.aspx

The intent of country-owned and driven technical cooperation programs is to provide the flexibility of a differentiated approach across the Pacific. Australia will engage with partners to ensure these programs are more comprehensive in microstates where national capacity is weaker than in larger countries.

3.5 Proposed program expenditure

This delivery strategy proposes an expenditure range for the regional health program between $15 million per year and $25 million per year ($75-$125 million over five years). The actual level of expenditure will be determined on the basis of available aid budgets and detailed design of particular interventions and in particular assessment of:

- the effectiveness of regional and country health governance mechanisms in providing a legitimate and workable framework to guide regional investments
- the absorptive capacity of partners to efficiently and effectively use funds
- the performance of partners in responding to funding incentives to improve country-level aid effectiveness and meet the needs of women, the poor and people with disability.

This magnitude of expenditure is considered appropriate for the regional health program, representing approximately 3-5 per cent of total health expenditure (Government and donor) in the region (excluding PNG).[15] This corresponds to a broad health system 'rule of thumb' that 90 per cent of health activities (and associated funding) should be at country level, with regional support being only a very targeted (but important) complement.

This level of support is consistent with the historical levels of Australian support for regional health. It corresponds to approximately 7-12 per cent of Australia's current regional program (across all sectors) and approximately the same proportion of Australia's total health expenditure in the region (bilateral and regional). Over time, Australia's bilateral health expenditure may increase, whilst the regional health expenditure would remain largely unchanged. This profile is consistent with moving towards a stronger country-level focus in Australia's health support.

3.6 Modality choices

The first preference in this strategy is to deliver the regional health program through existing regional and multilateral partners in the region. Only if this proves to be unviable due to the capacity constraints of partners, or a critical lack of agreement on the roles and functions of regional partners, will alternative modalities such as managing contractors be considered.

In general, multilateral and regional organisations exist because of their potential to help solve problems that require collective action, such as burden sharing, reducing transaction costs (e.g. in

[15] WHO Global Health Expenditure Database: http://apps.who.int/nha/database/DtaExplorer.aspx?ws=0&d=1

dealing with a range of beneficiaries), offering greater efficiency in delivery, or improving effectiveness through the development and maintenance of specialised knowledge.[16]

In the Pacific, a range of international organisations exist precisely because of these potential benefits around collective action. The PIF Secretariat and SPC were specifically created by Pacific leaders to add this regional value. The Fiji School of Medicine (now the College of Medicine, Nursing and Health Sciences, Fiji National University) has played a de facto regional function as a regional training provider. UN agencies and international NGO's provide a platform for both regional and country-level support.

The decision to deliver through existing multilateral and regional organisations reflects Australia's desire to strategically support these organisations to define and deliver on their legitimate regional mandates. Providing support via parallel mechanisms (such as managing contactors) would miss the opportunity to influence the operation and performance of existing regional and multilateral agencies. To date, most funding from Australia (and other donors) to these organisations has been distortionary in that it has been largely project funding for country-level functions. Future funding is proposed to be provided to UN and regional organisations against agreed organisational strategic plans and associated business models that clearly distinguish between regional functions and country-level support, are performance-based and are underpinned by aid effectiveness principles.

[16] http://www.pacificplanreview.org/resources/uploads/embeds/files/AnthonyBeattie_GovernanceFINAL.pdf

4 Strategy Management

4.1 Management, coordination and staffing

Management and coordination of the delivery strategy and the portfolio of activities beneath it will be undertaken by the Pacific regional health team. The team is spread across Suva and Canberra but will work as 'one team', in line with the *Pacific Division Workforce Implementation Plan 2013-2016*. Joint oversight of delivery strategy implementation and performance will be by the Assistant Director General of Pacific Regional Branch (based in Canberra) and the Minister-Counsellor Pacific (based in Suva). The Pacific Lead Health Specialist will provide technical oversight of the program.

The team will develop a single program workplan as the operational basis for implementing the delivery strategy. Communication mechanisms will be identified with bilateral program staff, the Health Policy Section (which leads on global engagement with UN health agencies) and Pacific teams in charge of related areas such as Pacific regional strategy development, tertiary education, gender and disability. Key to the success of the delivery strategy will be Australia ability to leverage benefits across a range of program and thematic areas. Regional team engagement in country-level processes (for example, Annual Program Performance Reviews, Partnership for Development processes, etc.) will be important to ensure an integrated approach.

A critical element of all design processes will be consultation with country governments and Australia's bilateral programs. An explicit task in each design process will be a requirement to consult at country level and to incorporate into the design an ongoing, visible mechanism to ensure country-level input and oversight of regional initiatives in each participating country. There will be a key role for Australia's bilateral programs in policy dialogue, advocacy, monitoring and evaluation and sharing of information.

The various design processes flowing from this delivery strategy will have a nominated ELI/SPM lead. This person will be responsible for ensuring the requisite design steps are taken and that appropriate technical expertise (internal and external) is marshalled to produce quality designs. The Director, Human Development and Regional Counsellor Suva will approve designs to go to peer review, with final approval by the First Assistant Secretary, Pacific Development Division.

The program will continue to utilise health specialists and practitioners at the EL1/SPM and ASO6/PM level in Suva and Canberra and seek input from lead and senior health specialists in the Pacific Division. The Health Resource Facility will be used as an additional source of expertise and capacity supplementation.

4.2 Transition and design issues

A key challenge for the regional health program will be consolidating the program from the current portfolio into the intervention areas identified in this delivery strategy. This transition

will be managed through design processes, in cooperation with key partners, to ensure investments are aligned with the seven areas and that important and effective national and regional activities are not left unsupported. This delivery strategy includes principles for designs and investment, rather than specific details of planned activities so as not to pre-empt design processes and the full exploration of implementation options.

Transition from the existing program to the new program will be undertaken in a staged fashion over a period of 18 months. Indicative timeframes and design steps are set out in Table 2.

Successful transition will require a range of design activities during this period which will be undertaken in accordance with the Department's design quality standards. Issues to be taken into account during design include the guiding principles listed in section 3.1. In addition, all design work will:

- clearly assesses current programs as to what activities should continue to be supported through the regional health program; what should continue to be supported but through another means; and what activities have not shown sufficient impact and should no longer be supported by Australia
- include analysis of the full range of options for delivery and financing, and assesses the capacity of implementing partners to deliver
- develop a policy engagement framework identifying the operational links between policy engagement activities and program objectives
- incorporate the cross-cutting issues of equity, gender, disability and microstates
- where appropriate, involve implementing partners as an integral part of design processes (including potential use of partner-led designs)
- actively involve Pacific Island countries and bilateral program staff and identify how links between bilateral and regional programs will be strengthened
- consider the implications of any scale-up or scale-down of support in particular areas and identify appropriate risk management strategies
- assess implications for staff resourcing.

All design processes will be framed by a planning discussion involving the Pacific regional health team, the Pacific Lead Health Specialist and other relevant internal staff.

The seven areas of intervention identified in this delivery strategy are not expected to translate to seven associated programs. It is anticipated that streamlined programming modalities can be designed that address more than one intervention area through one activity. For example, a single funding agreement in support for the SPC Public Health Division Strategic Plan could address aspects of four intervention areas: governance, surveillance, research and technical cooperation.

Table 2. Transition - Indicative timeframes and design steps

Initiative Area	Timing	Proposed Modality	Design Steps	Design Lead
Regional Health Governance Surveillance	Aug 2013-Dec 2014	Earmarked support to SPC PHD Strategy 2013-2022	• Planning Discussion • Transition Support • SPC Strategic Plan • Investment Design Summary • Appraisal/Peer Review	Suva
Country-level Technical Cooperation (MNCH, NCD and HIV/STI)	Aug 2013- Dec 2014	Earmarked support to UN agencies and SPC	• Planning Discussion • Investment Concept note (ICN) (pilot/transition) • Partner led design • Appraisal/Peer Review • Pilot evaluation • Partner Design/Investment Design Summary (IDS) • Appraisal/Peer Review	Canberra
Service Delivery Innovation	Nov 2013 - Jun 2014	Partner (IPPF) Program	• ICR/Evaluation • Planning Discussion • ICN • Partner led Design • Appraisal/Peer Review	Canberra
Specialised Health Training	Mar-Dec 2014	TBD	• ICR/Evaluation • Planning Discussion • ICN • Design (Form TBD) • Appraisal/Peer Review	Canberra
Tertiary Care Policy, support and provision	Mar-Dec 2014	TBD	• ICR/Evaluation • Planning Discussion • ICN • Design (Form TBD) • Appraisal/Peer Review	Canberra
Research/Analysis	July 2014 – Dec 2014	TBD	• Planning Discussion • ICN • Design (Form TBD) • Appraisal/Peer Review	Canberra

4.3 Performance management

There will be four main components of performance management for the regional health program, which aligns with the Department's Performance Management and Evaluation Policy.

Assessment of individual investments

Robust *monitoring and evaluation systems* will be developed for each investment area as part of design and transition activities being undertaken over the next 18 months. The performance of individual investments will be assessed through the Department's quality reporting system, including annual Quality at Implementation assessments and input to the Multilateral Scorecard process. Each individual investment will be subject to independent evaluation at least once over its life. These evaluations may be clustered if appropriate.

Assessment of strategy level outcomes

1. A *performance assessment framework* (PAF) has been developed (see Annex C) to support annual reporting of results under the delivery strategy. This PAF will be piloted in the first 12-18 months of delivery strategy implementation and updated as required at the end of this period. This is to allow the design and transition phase to inform improvements to the PAF and enable alignment to the PAF for the broader Pacific regional program (in development). Annual assessment against the PAF will feed into the Annual Program Performance Review of the Pacific regional program against the relevant strategic objectives identified for future prioritisation of the program:
    a. strengthen performance of regional architecture
    b. promote region-wide norms and standards
    c. provide specialised services.

2. An *independent evaluation* will be conducted in year three or four of delivery strategy implementation that assesses progress against the overarching objective of the delivery strategy; whether the level of investment is appropriate; and if the cross-cutting priorities of equity, gender, disability and microstates are being effectively addressed.

3. In the future, Australia's bilateral *Partnerships for Developments or other bilateral agreements* will explicitly recognise the contribution of Australia's regional health program at country level. This will provide a country-level mechanism for Australia and partner governments to jointly assess the performance of regional investments at annual Partnership for Development talks or other policy and performance discussions.

Under the current regional health program, data on resource flows and results has been poor for most activities. The strengthened and more systematic approach to performance management outlined above will support the development (over the next 18 months) of improved data on where resources are being spent and for what results.

4.4 Risk management

The proposed new regional health program represents a significant break from Australia's current approach and this introduces a moderate level of risk. A Risk Management Plan (Annex D) has been developed to assist planning for and mitigation of potential risks. Key risks include:

- lack of ownership of regional health reform efforts by Pacific Island countries and regional/UN organisations
- capacity and institutional limitations of partners
- unrealistic or overambitious objectives
- poor transition arrangements, leading to gaps in support for important and effective activities
- failure to demonstrate the impact of the regional health program on country-level health outcomes
- insufficient technical and management capacity within the Pacific Development Division
- continued proliferation of ineffective regional and multi-country initiatives.

A number of risk management strategies are proposed, including:

- proactively communicating the rationale for the delivery strategy and subsequent investments to partners, with supporting evidence
- ensuring high-level oversight and support within the Department for the delivery strategy throughout design and implementation
- pursuing a realistic pace of reform, with clearly identified milestones and flexibility to adapt to changing/unforeseen circumstances
- undertaking robust design processes with full engagement by key partners
- establishing appropriate monitoring and evaluation systems and accountability mechanisms to track progress
- bolstering the capacity of the regional health team, both in terms of dedicated management oversight and strategic advice.

5 Annexes

A. The *Pacific Health Development Agenda* at a glance

B. Current (and recent) Australian Pacific regional health programs

C. Performance Assessment Framework

D. Risk Management Plan

Annex A. The *Pacific Health Development Agenda* at a glance

An agenda for change The *Pacific Health Development Agenda* describes a new way for Australia to engage and invest to achieve health outcomes in the Pacific.	
Driven by	1. Significant health challenges faced by Pacific island countries and the need for affordable health systems 2. Evidence of inefficient and fragmented use of health resources by governments and development partners 3. Australia's capacity to improve health outcomes through more efficient investments and mutual accountability OR support for country accountability
Clear objective	To save lives and improve health by ensuring all Pacific island people have access to the essential and affordable health care and prevention interventions necessary to meet the health MDGs and pursue Healthy Islands.
Measurable results	Australia will track health outcomes in Pacific island countries, including through these headline results: 1. number of children vaccinated 2. number of births attended by a skilled birth attendant 3. level of malaria in Solomon Islands and Vanuatu 4. number of pregnant women tested for HIV in Papua New Guinea. Headline results will be supplemented by comprehensive results frameworks for non-communicable diseases and other country-level health outcomes.
Three interrelated priorities	1. ensuring Pacific island populations have equitable access to life saving essential prevention and care services 2. equipping countries to make the most efficient use of available resources 3. building and maintaining the education sector's capacity to train the health workers needed
Five core strategies	1. Enable countries to develop policies and priorities reflecting their needs and resources. 2. Help countries obtain and analyse information needed to assess performance and make investment decisions. 3. Support reforms to improve cost-effectiveness and sustainability of service delivery at country level. 4. Encourage more effective regionalism in health. 5. Help countries get the best value from technical cooperation

Annex B. Current (and recent) Australian Pacific regional health programs

Program Name	Timeframe	Funding	End Date	Partners
Pacific Regional NCD Program	2008-2012	$22 million	June 2012	WHO, SPC
Pacific Malaria Initiative – Regional Research	2007-2013	$10.5 million	December 2013	Governments of Vanuatu and the Solomon Islands, University of Queensland
Pacific Islands HIV and STI Response Fund	2009-2014	$30 million	December 2014	SPC
Pacific Regional Influenza Pandemic Preparedness Project	2006-2011	$8.7 million	June 2011	WHO, SPC
UNICEF Pacific Program	2013-2014	$5 million	December 2014	UNICEF
Strengthening Specialized Clinical Services Improvement Program	2010-2014	$5.4 million	December 2014	Fiji National University
Pacific Human Resources for Health Alliance	2008-2012	$3.5 million	June 2012	WHO
Fiji School of Medicine	2012-2015	$5 million	2015	Fiji National University
Pacific Islands Project RACS	2007-2014	$13 million	December 2014	Royal Australasian College of Surgeons
Biomedical Engineers and Maintenance Initiative	2012-2014	$2.5 million	June 2014	Australian Volunteers International
UNFPA Pacific Multi-Country Programme	2009-2013	$4 million	June 2013	UNFPA
International Planned Parenthood Federation	2011-2013	$2.8 million	December 2013	IPPF
Strategic Funding Support to WHO: Pacific Biennium Plan 2012-2013	2012 - 2014	$5.0 million	June 2014	WHO
Pacific Regional Blindness Prevention Program – Phase 3	2012-2015	$2.5 million	June 2015	Pacific Eye Institute
World Bank Pacific Facility 3 (health component)	2012-2014	$5.5 million	Feb 2014	World Bank

Annex C: Performance assessment framework

Objective 1. Engage with Pacific regional and national health architecture to develop and implement effective regional health policies and services				
End of Delivery Strategy Outcome (2017)	**Intermediate outcomes**	**Indicators**	**2013 Baseline**	**Data Source**
1. Pacific Governments agree on, and oversight the delivery of a set of health sector functions that are delivered regionally	Coherent regional governance arrangements are developed and implemented	Annual Secretaries/Directors of Health Meetings held and Health Ministers meeting improved in effectiveness Pacific health policy framework established	One Pacific Secretaries/Directors of Health meeting (April 2013) Current *Pacific Plan* does not provide a framework for effective regionalism in health	Pacific Regional Health Team assessment Mid-Term Review
	Regional governance arrangements have embedded links to PIFS architecture	Health Ministers and Secretaries/Directors of Health Meetings linked to PIFS architecture	Pacific Health Ministers Meeting does not link directly to PIF architecture	Pacific Regional Health Team assessment
	Regional health architecture has fewer, more targeted meetings and mechanisms	Number of health mechanisms and meetings	52 regional health mechanisms, and 14 one-off meetings in a 12 month period (2009)[17]	Academic assessment or commissioned assessment from HRF

[17] http://devpolicy.org/so-many-meetings-so-little-impact/

2. Regional health services and support are more transparent at country level, accountable to PICs, and country owned and driven	Country-level ownership of regional health programs increases, including demand for results from implementing organisations	Number and percentage of Partnerships for Development (or other bilateral agreement) schedules that include regional health program expenditure and targets Number of Partnership for Development (or other) annual talks that assess the performance of regional health program activities	Some health schedules under Partnerships for Development list regional programs, but no detail provided No systematic approach to including regional health program inputs in country-level planning and performance discussions	Survey of Posts and health specialists Mid-Term Review
	Investment designs adopt modalities that drive accountability for country-level performance and meet each PICs' specific needs	Number of investment designs that have a satisfactory focus on country-level performance	Most current programs adopt a one-size-fits-all approach to countries and reporting is primarily on aggregated regional-level inputs/outputs rather than country-level outcomes	Pacific Regional Health Team assessment Mid-Term Review
3. There is an appropriate balance of PIC investment in primary, secondary and tertiary care, with targeted regional supplementation of tertiary care services	Increased proportion of PIC health expenditure going to primary and appropriate secondary care.	Ratio of PIC investment in primary, secondary and tertiary care with regional supplementation of tertiary care services Number of Partnerships for Development (or other) talks that discuss appropriate balance of primary, secondary and tertiary care	Methodology to be developed	Methodology to be developed

Objective 2. Promote regional norms and standards in the areas of disease surveillance and reporting				
End of Delivery Strategy Outcome (2017)	**Intermediate outcomes**	**Indicators**	**2013 Baseline**	**Data Source**
4. Cross-regional disease surveillance, epidemiology, investigation and response needs are met	To be determined and assessed through investment level M&E frameworks			
Objective 3. Support regional provision of specialised clinic and public health services				
End of Delivery Strategy Outcome (2017)	**Intermediate outcomes**	**Indicators**	**2013 Baseline**	**Data Source**
5. Quality research and analysis supports evidence-based decisions	Regional provision of tertiary health care services enables delivery of Pacific Islanders' tertiary health care needs	Number of people who receive regional specialist services *NB: this is a core regional strategy indicator*	56 visiting teams treated 5962 people	Pacific Islands Project initiative
6. Appropriate range and number of specialised health workers are trained for the region	Regional training provision increases the number and quality of health workers trained for the region	Numbers of Pacific Islanders who complete specialist regional training at international standards *NB: this is a core regional strategy indicator*	462, of whom 322 were women	Fiji School of Medicine
7. Country-level technical cooperation is jointly coordinated, high quality and driven by PICs' identified needs	To be determined and assessed through investment level M&E frameworks			
8. Selected cost-effective health services that are not prioritised by all PIC governments are met	To be determined and assessed through investment level M&E frameworks			

Sample questions for delivery strategy evaluation

- Are regional governance arrangements streamlined and coherent, and aiding appropriate decision-making by PICs?
- Is Australia funding supporting (directly or indirectly) only useful governance mechanisms and no longer supporting ineffective or unnecessary meetings/mechanisms?
- Are PICs in a strong position to plan sustainable provision of a package of primary, secondary and tertiary care services?
- Are regional institutions training the appropriate number, quality and skill mix of health workers to meet PIC's needs?
- Are PICs in a able to plan and finance a sustainable workforce that is responsive to the burden of disease and health system needs?
- Has support assisted PICs to strengthen surveillance, health information and vital statistics systems?
- Has support assisted PICs and the region as a whole to identify and respond to disease quickly and effectively?
- Has a quality knowledge base been built in response to PICs' identified needs that has been used to support decision-making?
- Are technical cooperation inputs being dictated by PICs and their identified needs as opposed to being supply-driven?
- Is technical cooperation effective, targeted, high quality and jointly coordinated?
- Are PIC governments increasing the priority given to family planning and progressively taking on planning and financing of appropriate services?
- Have gender equality and disability-inclusive targets and activities been included as cross-cutting issues in the interventions?
- Where appropriate, have the specific needs of micro-states, in particular Kiribati, Nauru and Tuvalu, been addressed?
- Has the delivery strategy guided effective use of Australian aid?
- To what degree has policy engagement been effective?
- Did the delivery strategy identify the most appropriate interventions and types of aid?
- Which implementing partnerships have worked best and why?
- What have been the management challenges and successes?

Annex D: Risk Management Plan

What might constrain or put at risk the achievement of the delivery strategy outcomes?	What might the impact be on the program under this delivery strategy if the risk becomes an eventuality?	What actions can be taken to minimise, mitigate and manage this risk?
Operating environment: What impact might the operational or physical environment (political instability, security, poor governance, lack of essential infrastructure etc.) have on achieving the intended objectives/results?		
Capacity and institutional limitations of partners prevent improvement.	Continuation of inadequate impact by regional health program at the country level. Decreased reputation of development partners and Australia to deliver positive outcomes	Operating through UN and regional organisations takes time and involves much of the process and consensus building that is a feature of all multilateralism. Demonstrating the benefits of reform will be important in maintaining momentum. Australia will need to communicate the intention of its analysis and strategy to ensure that partners have a clearer understanding of what is, and is not, appropriately delivered through regional programs. Senior level engagement, funding incentives and engagement with UN headquarters can help in overcoming potential resistance to change from stakeholders.
Unrealistic or overambitious objectives	The perception or reality of the regional health program failing to achieve its objectives. Decreased investment in regional health programs in the future.	The theory of change seeks to address this issue and clarify intended outcomes and how they are to be achieved to minimise risk of designs 'locking in' unrealistic and unattainable objectives. The pace of reforms should be realistic with clearly identified milestones and flexibility to ensure that, as implementation proceeds, it is possible to review and revise objectives and strategies.
Results: What is the risk that this investment will fail to achieve intended results or have negative unintended consequences? Would the failure to achieve the results in the proposed timeframe, or at all, affect the targeted beneficiaries directly? What level of impact would this have on beneficiaries?		
Poor transition arrangements lead to gaps in support for important/effective activities.	Gaps in essential health services/functions undermine improvement in health outcomes. Decreased reputation of development partners and Australia to deliver positive outcomes	This delivery strategy envisages a substantially different approach to regional programming and not all current activities will continue to be funded. Design processes will need to clearly assesses current programs as to: (i) what activities should continue to be supported through the regional health program and how; (ii) what activities should continue to be supported but through another means and how; and (iii) what activities have not shown sufficient impact and should no longer be supported.

Impact of the regional health program on country-level health outcomes is not demonstrated.	The perception or reality of the regional health program failing to achieve its objectives. Decreased investment in regional health programs in the future.	Current regional health programs have been poor in demonstrating impact at the country level with inadequate monitoring and evaluation systems in place. Demonstrating the impact of regional interventions will continue to be difficult, therefore design process will place a strong emphasis on the development of appropriate incentives, monitoring and evaluation systems and accountability mechanisms to track progress.
Fiduciary: Is there a risk that funds will not be used for the intended purpose or will not be properly managed by a recipient individual, organisation or institution? If so, what level of impact might this loss of funds have both on Australia's reputation and in terms of achieving objectives?		
Misuse of funds by key partners	Decreased reputation of implementing partners with donors and Pacific countries. Decreased trust by Australian government and public in the Department's ability to prevent misuse of funds. Decreased investment in regional health programs in the future.	This risk will be mitigated through capacity assessments of all new partner systems to identify such risks and build capacity to avoid the potential for mismanagement of funds.
Reputation: Could any aspect of the implementation of this investment potentially cause damage to the reputation of the Australian Government? If so, what level of impact might this have?		
Fall-out due to activities that are no longer funded	Decreased reputation of the Australian Government in the Pacific and amongst development partners	Design processes will need to clearly assess current programs as to what activities have not shown sufficient impact and should no longer be supported by Australia. The rationale for such decisions will need to be proactively communicated to partners with supporting evidence and explanation of the rationale for Australia's future investments (as per this delivery strategy).
Technical capacity in the Department	Gaps in essential health services/functions undermine improvement in health outcomes. Continuation of inadequate impact by regional health programs at the country	The program will need significant practical health expertise to manage and deliver. The Pacific Division has recently increased its senior health specialist team to three which will assist in in supporting transition from the existing program to the new program. The Health Resource Facility specialist pool will be used as an additional source of expertise and

	level.	capacity supplementation
Management burden increases, compromising program quality	Possible additions to the management burden of staff compromise the quality of design, management and activity monitoring in the short and medium term. Continuation of inadequate impact by regional health programs at the country level.	In a tight fiscal environment with specialist aid staff numbers being reviewed, design processes will need to consider implications not only for the regional health team but also for bilateral programs, to make sure staff members are not 'overloaded'.
Partner relations: Could any aspect of this investment, such as failure to achieve objectives, potentially damage Australia's relationship with key partners? If so, what level of impact might this have?		
Lack of ownership / buy-in of regional health reform efforts by Pacific countries and regional/UN organisations	This is an ambitious reform agenda for Australia's regional program and, without improved regional health governance and strong buy-in by partners, success across all interventions will be undermined.	Early progress to mitigate this risk has already been made. A review of the *Pacific Plan* has provided an opportunity to revitalise and strengthen regional health governance arrangements. Regional development partners helped establish the inaugural Pacific Secretaries/Directors of Health meeting in April 2013 which successfully laid the foundation for improved regional health governance architecture that puts ownership with Pacific governments and provides a legitimate decision-making apparatus. Strong ongoing engagement will be needed to build on this early progress.
Other: Are there any other factors specific to this investment that would present a risk (e.g. this is a new area of activity or is an innovative approach)? If yes, please describe and rate the risk		
Continued proliferation of regional and multi-country initiatives	If the regional program is used as a default delivery model for ad hoc funding support through Australian aid, the regional health program will become fragmented and its impact will be diluted.	This delivery strategy aims to provide a rational basis for better decision-making regarding investments. High-level oversight and support within the Department will be essential to ensure that programming across the next five years aligns with the intervention areas identified in this delivery strategy. The 'Service Delivery Innovation' intervention area provides principles to be met in deciding on whether additional activities should be funded through the regional program.