

**Independent Performance Assessment
Solomon Islands – Health Sector Support Program 2017**

Management Response

<p><u>Performance linked funding (PLF)</u> The review found that Ministry of Health and Medical Services (MHMS) achieved a performance rating of 64% against the agreed targets and indicators. The recommendation was that AUD1,742,305 of a possible AUD2,710,000 be paid to MHMS as PLF.</p> <p>However, the pre-condition performance indicator was not met, requiring Solomon Islands Government to allocate 12.5% of domestically sourced revenue to the recurrent health budget in 2017.</p>	<p><i>Assessment against performance indicators agreed</i></p> <p>However, as the pre-condition was not met, Australia made the decision to provide a PLF payment of AUD1,393,844 to the MHMS (recommended amount of AUD1,742,305 reduced by 20%).</p> <p>According to the funding agreement, Australia may have paid no PLF for 2017. However, we are satisfied that the MHMS and Ministry of Finance and Treasury have engaged in high level dialogue over the issue, and have committed to ensure that the allocation to the health sector will be protected in future budget years, and that this pre-condition will be met.</p>
<p><u>Operational recommendations to MHMS</u> The review makes a range of operational recommendations for 2018 to MHMS to improve its performance in relation to targets and indicators.</p>	<p><i>Subject to MHMS decision - Agreed.</i></p> <p>Australia supports the operational recommendations for 2018 set out in the Independent Assessment. These recommendations were discussed with Australian Government, MHMS executives and at the Joint Annual Performance Review on 30 April 2018. MHMS have endorsed the recommendations of the Independent Performance Assessment. We will continue discussion with MHMS on progress on these actions, including ways in which Australia may provide support.</p>
<p><u>Payment linked performance indicators 2018</u> The review recommends a set of targets and indicators for 2018</p>	<p><i>Agreement reached between Australia and MHMS on 16 August 2018</i></p> <p>Australia welcomes the recommendations for 2018 performance indicators and targets. As noted, in the report, the 2018 indicators were discussed at a meeting with the Independent Assessor, MHMS Executive and Australian Government on 30 April 2018. The indicators were broadly agreed at that meeting. While</p>

	<p>the majority of indicators relating to health service delivery remain the same, further consultation has been done with MHMS to ensure that 2018 indicators are aligned with priority reform actions in the relevant time period. The final set of indicators was agreed on 16 August 2018 between MHMS Executive and Australia. The consultant who undertook the assessment has also drafted new reporting templates to ensure that progress against the 2018 indicators is captured and reported to MHMS Executive and implementing Divisions during the year, so that remedial action can be taken where performance is not tracking well against targets.</p>
--	--