Tonga Health Systems – Australian Support

Framework Design – August 2009

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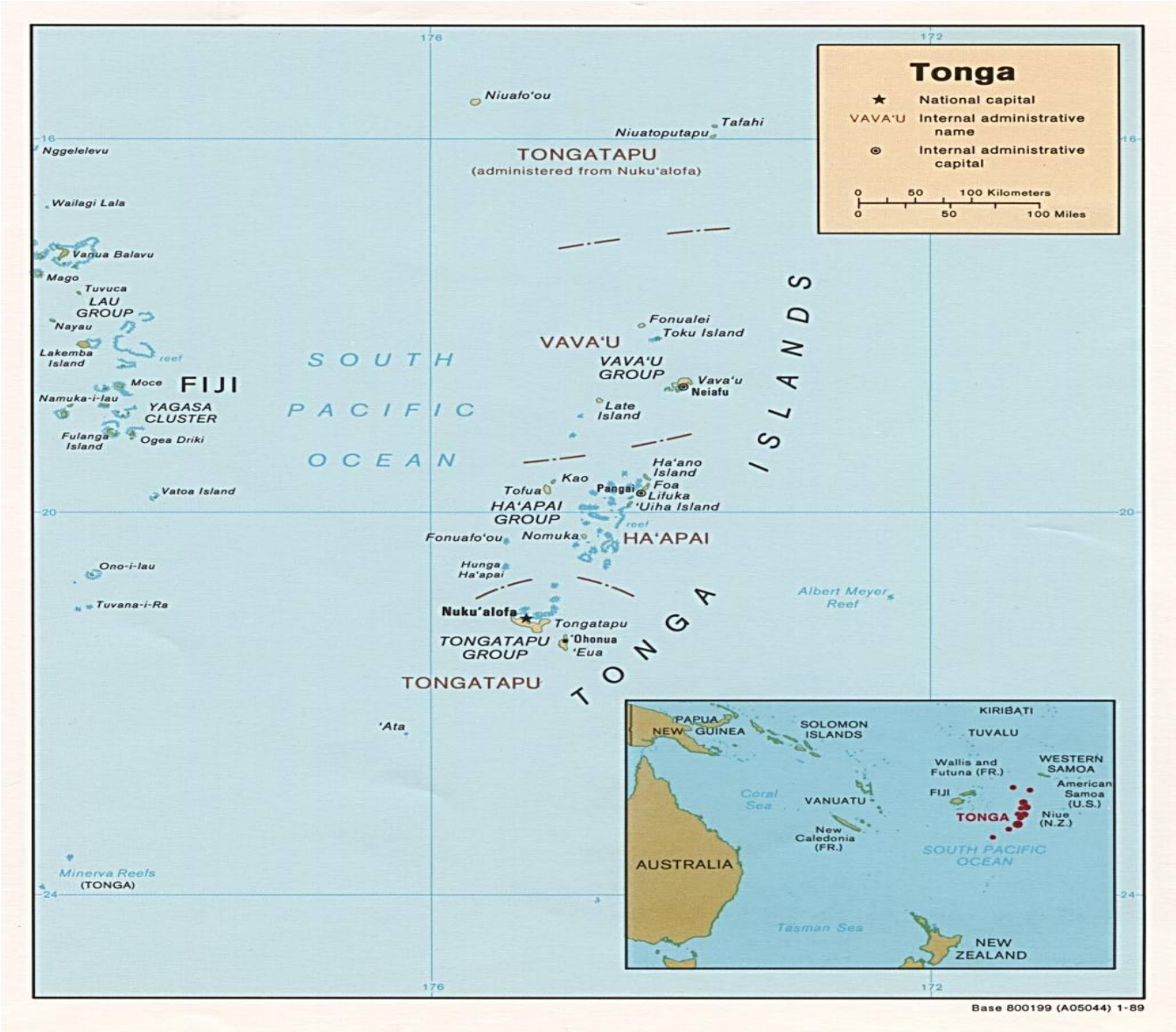
ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AMP	Annual Management Plan (of MoH)
AusAID	Australian Agency for International Development
ERC	Expenditure Review Committee (of GoT)
ET	MoH Executive Team
ET-Plus	MoH Executive Team plus AusAID plus two NGO representatives – the strategic oversight committee for the program
EU	European Union
GoA	Government of Australia
GoT	Government of Tonga
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ICR	Independent Completion Report
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
KRA	Key Result Area
MCH	Maternal and Child Health
MDG	Millennium Development Goal
MoF	Ministry of Finance and National Planning
MoH	Ministry of Health
MOU	Memorandum of Understanding
NHDC	National Health Development Committee
NCD	Non Communicable Disease
NGO	Non government organisation
NZAID	New Zealand Agency for International Development
PACTAM	Pacific Technical Assistance Mechanism (of AusAID)
PEFA	Public Expenditure and Financial Accountability
PIU	Procurement Implementation Unit of MOF
PfD	Partnership for Development - between GoT and GoA
PM	Program Manager
PC	Program Coordinator
PSC	Public Service Commission
SDP8	Tonga's National Strategic Development Plan Eight
SPC	Secretariat of the Pacific Community
STI	Sexually Transmissible Infection
The Tongan people	Taken to mean the people resident in Tonga and not to include Tongans living abroad
THSPMP	Tonga Health Sector Planning and Management Project
Tonga Health	Tonga Health Promotion Foundation
TOR	Terms of Reference
UNDP	United Nations Development Programme
WHO	World Health Organisation

MAP OF TONGA


Tonga
National capital
VAVA'U Internal administrative name
Internal administrative capital
0 50 100 Kilometers
0 50 100 Miles
Niuafo'ou
Tafahi
Niuatoputapu
TONGATAPU
(administered from Nuku'alofa)
Nggelelevu
Wailagi Lala
Vanua Balavu
Mago
Tuvuca
LAU GROUP
Nayau
Lakemba Island
reef
Moce
Namuka-i-lau
FIJI
YAGASA CLUSTER
Fulanga Island
Ogea Driki
Vatoa Island
Ono-i-lau
Tuvana-i-Ra
Minerva Reefs
(TONGA)
SOUTH PACIFIC OCEAN
Fonualei
Toku Island
VAVA'U
VAVA'U GROUP
Vava'u
Neiafu
Late Island
Ha'ano Island
Foa
Lifuka
'Uiha Island
Kao
Tofua
Pangai
HA'APAI GROUP
reef
Fonuafo'ou
Nomuka
HA'APAI
Hunga Ha'apai
Nuku'alofa
Tongatapu
'Ohonua
'Eua
TONGATAPU GROUP
TONGATAPU
'Ata
TONGA ISLANDS
Albert Meyer Reef
176
172
16
20
24
PAPUA NEW GUINEA
SOLOMON ISLANDS
KIRIBATI
TUVALU
Wallis and Futuna (FR.)
WESTERN SAMOA
American Samoa (U.S.)
FIJI
VANUATU
Coral Sea
TONGA
Niue (N.Z.)
New Caledonia (FR.)
SOUTH PACIFIC OCEAN
AUSTRALIA
Tasman Sea
NEW ZEALAND
Base 800199 (A05044) 1-89

SECTION 1: EXECUTIVE SUMMARY

1. AusAID has supported the development of the Tonga Ministry of Health (MoH) over many years, most recently through the AUD5.7 million Tonga Health Sector Planning and Management Project. The Project, delivered from 1999 to 2007, successfully facilitated development of the MoH in planning, management and organisational culture[1]. The continuing support described in this Framework Design seeks to build on the gains made through that Project, utilising those capacities as the basis for the MoH to manage a suite of health system improvement projects identified through the MoH's planning processes. The management of Australian support will be by the MoH and will be integrated into Government of Tonga (GoT) management and accountability systems to the maximum extent possible. Utilising Tonga's planning, management, procurement and implementation systems, with appropriate joint oversight, is a deliberate strategy to improve Tonga's systems by using the systems and enabling diagnosis of weaknesses which need to be addressed.

implementation by Ministry of Health

2. This approach is consistent with the Paris Declaration and the Accra Agenda for Action and the related Pacific Aid Effectiveness Principles – July 2007, and the Joint Declaration on Aid Effectiveness between Government of Tonga and Development Partners – October 2007. The approach will facilitate the efficient planning and implementation of health systems improvements funded by the GoT and donors. It will bring Australian bilateral support within the same planning, monitoring and financing framework as GoT funding and will enable both these sources of funding, and AusAID funded regional programs, to be monitored through a single MoH monitoring framework.

3. AusAID funds will be used by the MoH to improve health delivery systems as prioritised in the MoH's three year Corporate Plan. The allocation of AusAID funds will be determined in the MoH Annual Management Plan, with three year forward commitments specified. Planning and monitoring will be through the MoH Corporate Plan and associated Balanced Scorecard. The quality of both these documents has been assessed. The AusAID post will be involved with the MoH Executive at the strategic management level. Six-monthly joint reviews of implementation by a team including technical health and capacity development expertise, will assist the MoH, GoT and AusAID to reflect on implementation progress and solve implementation problems.

Objectives

4. In support of the MOH Vision and Mission, the objectives of AusAID financing are:

- to enable the MoH to implement its Corporate Plan;
- to enable the MoH to fund critical service delivery deficiencies;

[1] For more information on the project please refer to the Activity Completion Report (dated November 2007) and the Independent Completion Report (dated March 2008) which are included in the references folder included with the electronic version of this design.

- to enable the MoH to manage, utilise and report on AusAID funding using GoT systems, strengthening them where necessary.

Partnership for Development

5. The Partnership for Development between the GoT and Government of Australia (GoA) identifies agreed priority outcomes in health based on the MoH's Corporate Plan and Balanced Score Card. These are Key Result Areas 1 and 3 of the Corporate Plan, in particular the targets of:

- Reduced prevalence of non-communicable disease risk factors including:
- Tobacco Use: 2% decrease in prevalence of smokers by 2015;
- Obesity: 2% decrease in overall prevalence of obesity by 2015;
- Budget for preventive health care reaches 10% of total public health operational budget by 2015;
- Primary health care to all communities in Tonga to follow a common national standard including the utilisation of this service.

Results

6. The results expected are:

- Key limitations in Tonga's health service delivery system will have been analysed and affordable actions successfully implemented so it can better respond to the health needs of the Tongan people.
    - The limitations to be addressed will be identified and prioritised through the MoH's Corporate Planning process. Subject to the agreed focus on priority outcomes above, funding can be utilised to improve any systems identified in the Corporate Plan.
- The MoH will have substantially improved procedures and skills in analysis, project management and monitoring, and have demonstrated its ability to effectively and efficiently manage implementation of a wide range of improvement projects (funded by donors or GoT).
- The MoH will have met critical, temporary service delivery deficiencies (including staff) which Tonga could not finance or source, within a specific limited allocation of AUD440,000 per year.
    - This allocation can be varied by the strategic management committee but any increase should be very carefully considered because of the likely impact on achieving sustainable improvements.

Monitoring

7. Monitoring will be based on the MoH's own performance monitoring framework termed the Balanced Score Card (BSC). The BSC specifies a series of management and health indicators which cascade into executive performance contracts. This was developed during the previous Project and has strong ownership by the MoH. It has been significantly refined during 2008 as part of the preparation of the draft 2008/09 – 2011/12 Corporate Plan. Processes for both management level and strategic level monitoring using these existing these GoT processes and structures, will be complemented by joint six-monthly reviews.

8. Implementation and management will be dependent on the GoT capacities in financial management, procurement and reporting. There are known strengths and weaknesses in these systems and they are likely to need some direct support and close monitoring. This will be achieved through the placement of two procurement advisers in the Ministry of Finance (under separate funding) who will have a role in overseeing MoH procurement procedures and practice.

Risk

9. The primary risks identified relate to the capacity of the MoH and other GoT agencies to implement their plans and to manage procurement and account for funds. A range of means to support these capacities are included and monitoring processes are proposed which should ensure problems are identified early so that appropriate adjustments can be made. The major financial risk of procurement will be minimised via support already being provided by AusAID through the Ministry of Finance and National Planning. It is likely that the rate of implementation and utilisation of funds will, at least initially, be slower than a traditional project. AusAID's country programming should take account of this.

10. This Design Framework endorses the ten year commitment recommended in AusAID's Concept Paper for the design.

SECTION 2: ANALYSIS AND STRATEGIC CONTEXT

COUNTRY AND SECTOR ISSUES

Kingdom of Tonga

103,183 people
37 inhabited islands

11. The Kingdom of Tonga, a Polynesian country of 171 islands, is located in the Pacific Ocean, north of New Zealand and close to Fiji and Samoa. While its population of approximately 103,183[2] is dispersed across thirty seven inhabited islands, the majority of Tongans (68%) live on the main island of Tongatapu. Tonga is a constitutional monarchy. The King has almost unlimited power including the appointment of the Prime Minister and his Cabinet. Significant political reform is underway.

Highest ranking in the Pacific on Human Development Index

12. Tonga is ranked 55 in the 2007/2008 United Nations Human Development Index (HDI) [3] - the highest in the Pacific - and 53 on the gender-related development index. Females have higher life expectancy and literacy rates than males but estimated female earnings are almost half that of males. Other relevant indicators from the UNDP report include:

- GDP per capita is US$8,177
- Life expectancy at birth is 72.8
- The literacy rate is 98.9%
- The projected population growth rate to 2015 is 4%
- The projected urbanisation rate is from 24% in 2005 to 27.4% in 2015
- The fertility rate is expected to drop from 5.5% in 2005 to 3.7% by 2015

13. Economically, the country has suffered from several severe ‘shocks’ over recent years. A public service strike in 2005 resulted in large increases in public sector salaries. Consequently, there was a freeze on new appointments, promotions, payment of acting allowances and paid overtime. There was also a restructuring and downsizing of the Tongan public sector which led to a considerable reduction in the number of health personnel. Civil unrest and riots in November 2006 resulted in the destruction of many business properties in Nuku’alofa.

Health sector

14. Tonga has a high standard of health compared with other countries of similar per capita income. Most health services are delivered through the public system which comprises:

- Tonga’s main hospital, Vaiola Hospital, in Nuku’alofa.
- Three district hospitals located in Ha’apai, Vava’u and ‘Eua (part of the Tongatapu group).
- Fourteen health centres and thirty four maternal and child health (MCH) clinics located throughout all island groups.

[2] MoH Draft Corporate Plan January 2009.
[3] UNDP (2007) Human Development Report 2007/2008. Accessed at http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf

15. There are a small number of private medical clinics (mainly run by doctors from the public system) and several non government organisation (NGO) and church based medical clinics, primarily in Nuku'alofa. Traditional healers are also utilised, particularly in the outer islands.

16. Public health infrastructure is relatively sound. Vaiola Hospital has recently been upgraded and there is a third stage of building in planning. Vava'u Hospital has been refurbished. Ha'apai Hospital is currently being repaired after experiencing considerable damage from an earthquake in mid 2006. A new 'super health clinic' is being built on the outskirts of Nuku'alofa and diabetes centres are being established at Vaiola and Vava'u hospitals. Health centres are being refurbished in Vava'u.

17. The leading causes of death are diseases of the circulatory system (48%) and cancer (17%). The major causes of mortality have not changed over recent years and are not expected to change within the foreseeable future.[4]

18. Basic health indicators are available in the MoH's Corporate Plan and are reported each year in the annual report of the Minister of Health. Indicators related to the Millennium Development Goals (MDG)[5] include:

- 99% of children are fully vaccinated against tuberculosis and measles (MDG),
- 28% of married couples use contraception (MDG),
- 98% of births are attended by skilled health personnel (MDG),
- 96% of the population are recorded as using improved sanitation (MDG),
- 98% have access to safe water (MDG),
- Under 5 mortality rate is 24 per 1,000 live births,
- Public expenditure on health in 2004 was 5% of GDP (compared to Australia at 6.5% and Samoa at 4.1% of GDP),
- Maternal Mortality Rates were 36.5 per 100,000 in 2007, down from 110.5 in 2006 (MDG),
- Infant Mortality Rate was 11.7 per 1000 live births in 2007 and 10.7 in 2006 (MDG).

maternal mortality rate about four times the rate in Australia and one quarter the rate in Vietnam

infant mortality rate about twice the rate in Australia and two-thirds the rate in Vietnam

19. While most of these indicators are relatively positive, the Tongan health system is facing a number of significant challenges:

- There is a considerable rise in the incidence of non-communicable diseases (NCDs) particularly diabetes, obesity, diseases of the cardiovascular system and cancer - these diseases are placing an increasing cost burden on the health system. A 2002 study showed diabetes prevalence in the over 15 population of 15.1%, double the 1973 prevalence[6] and double the Australian rate[7].

diabetes prevalence doubled in 25 years

[4] As above. Page 9.

[5] Tonga's progress against the MDGs is not available on the UNDP MDG tracking system.

[6] Colagiuri, S. et al (2002) The Prevalence of Diabetes in the Kingdom of Tonga. Diabetes Care. 2002 Aug;25(8):1378-83.

- Patients tend to by-pass health centres and go directly to the hospitals because they wish to be seen by a doctor rather than a health officer or nurse – placing considerable pressure on the hospitals.
- The number of doctors is reducing as a result of migration and retirement to the point where there is now a serious shortage. According to the HDI, there are 34 physicians per 100,000 head of population in Tonga. In comparison, Australia is recorded as having 247 and Samoa 70.
- The health budget (although increased in recent years) does not meet all of the operational costs of the health system, particularly the maintenance of buildings and equipment.

34 doctors per 100,000 compared to 70 in Samoa and 247 in Australia

Ministry of Health

20. The Ministry of Health (MoH) is responsible for:

- Leadership, policy advice and program administration.
- Health planning and information services.
- Preventative health care services.
- Curative health care services.
- Dental services.
- Environmental health (on the outer islands, MoH is also responsible for water supply and waste management).

21. The Ministry has 685 personnel, consisting of 58 clinicians, 302 nurses and 325 technical and administrative support staff.[8]. There are many vacant positions due to budget constraints and the lack of skilled doctors and nurses. As noted above, the lack of doctors is a significant issue for the health system.

22. With donor support (see below) the capacity of the MoH has grown considerably in recent years, particularly in policy, planning and management. Corporate planning is carried out on a three yearly basis. Annual Management Plans (AMPs) are developed by each division to establish budgetary needs and to outline how they will implement the Corporate Plan. Performance monitoring is through use of a Balanced Scorecard and ongoing review by the Director of Health. Performance contracts and a performance review process for senior staff were introduced in recent years. An assessment of the most recent Corporate Plan and Balanced Scorecard concluded that the Corporate Plan provides clear and appropriate direction for health over the next four years. The plan, the balanced score card and the MoH's own performance management processes (if properly implemented) provide AusAID with a sound basis for the allocation of funds, tracking progress and evaluating health outcomes. The potential weaknesses of the plan that could impact on AusAID are the lack of prioritisation of the strategies and the high number of KPIs which may lead to an inability to collect all of the data needed to track progress. (See Annex 9 for full details.)

[7] Dunstan, D.W. e al (2002) The rising prevalence of diabetes and impaired glucose tolerance: the Australian Diabetes, Obesity and Lifestyle Study. Diabetes Care. 2002 May;25(5):829-34

[8] MoH Draft Corporate Plan January 2009.

Health Budget

23. The GoT allocates 7.5% of its own budget to health. Per capita expenditure in 2007/08 was TOP172 (AUD104)[9] a figure well above Tonga's lower middle income status.[10] Donors contribute an additional 30% on top of the Tonga budget.

24. The budget structure is well balanced between spending categories, but a recent World Bank "Health Financing Options for Tonga" [11]paper recognised the need to find additional efficiency savings, to improve primary and preventative health care services to reduce the increasing cost-burden of curative services. Salaries and related costs consume 58% of the budget, 16% is spent on drugs and medical supplies, 23% on running costs and 2% on overseas medical treatment. The large costs fixed in foreign currencies (drugs, medical supplies, equipment and fuel) can place significant strains on the budget in some years. The Ministry of Finance and National Planning is currently planning for increases in total government expenditure of 3% in real terms (8% nominal) and this is expected to be reflected in the MoH budget.

EXTERNAL FUNDING

AusAID support

25. AusAID has been supporting the Ministry for many years via a range of programs. The largest (AUD5.7 million) has been the Tonga Health Sector Planning and Management Project delivered from 1999 to 2007. The project successfully facilitated development of the MoH in planning, management and organisational culture[12].

26. Other recent AusAID support includes:

- The provision of funding for two surgeons through the Pacific Technical Assistance Mechanism (PACTAM) at an approximate cost of AUD220,000 each per year.
- AUD50,000 per year to support a long standing (17 year) twinning arrangement between Vaiola Hospital and St John of God Hospital in Ballarat. The focus of the twinning program is on providing learning opportunities and technical support. To date it has supported fifty six exchanges between medical staff, allied health professionals, maintenance staff and technical staff. The arrangement is also supported by Rotary.
- Provision of technical assistance through volunteer programs, particularly the Australian Youth Ambassadors for Development program.
- Grants under the Ha'apai Development Fund for health infrastructure.
- Scholarships including for medicine.

[9] Draft MoH Corporate Plan January 2009

[10] AusAID (2009) Tracking development and governance in the Pacific. pp29

[11] Presentation by Aparnaa Somanathan, May 12 2009

[12] For more information on the project refer to the Activity Completion Report (dated November 2007) and the Independent Completion Report (dated March 2008) which are included in the references folder included with the electronic version of this design.

27. Future AusAID support already approved or available to Tonga includes:

- Funding of AUD300,000 for the Tonga Health Promotion Foundation via the Secretariat of the Pacific Community (SPC) and other funding managed by WHO under AusAID's Regional NCD framework.
- Continued funding for three years for the twinning with St John of God hospital at a cost of approximately AUD50,000 per year.
- Funding for government and NGO projects focused on HIV/AIDS prevention, treatment and care under the AusAID and NZAID funded Pacific HIV-STI Response Fund which is managed by the SPC.
- Funding for building capacity to purchase, maintain and repair biomedical equipment under the Regional Equipment Maintenance Initiative (BEMI) ending March 2011.
- Funding for support under the Pacific Human Resources for Health Alliance for human resources issues in the Pacific.

28. On a regional level AusAID is also preparing new phases of support for visiting surgical teams and avoidable blindness. The Australian Sports Outreach Program will also contribute to the outreach program of the MoH through the Public Health sector.

Other support

29. Other donor support includes:

- A World Bank project has funded the second stage of redevelopment of the Vaiola Hospital and improvements in health care financing and the health information system.
- New Zealand provides funds to support overseas medical treatment for Tongans in New Zealand and for visiting medical teams.
- The Japanese Government funded Stage 1 of the redevelopment of Vaiola Hospital and is expected to fund Stage 3. Japan also funds training and equipment purchases. It provides technical assistance through its volunteer program and supports Tonga's children's immunisation program and is committed to doing so until March 2011.
- The World Health Organisation (WHO) supports a range of programs including fellowships, health promotion (WHO is also supporting the establishment of the new Health Promotion Foundation and the Health Promoting Churches Partnership), child health and rational drug use. Its regional 'human resources for health' strategy aims to help address the shortage of health staff that faces all countries in the Pacific.
- The European Union (EU) has focussed its support in Vava'u where it is funding a range of infrastructure upgrades including the refurbishment of the health centres and associated staff accommodation.
- The Chinese government recently funded extensions to Prince Ngu Hospital, the building of a new diabetes clinic in Vava'u and the health centres at Vaini and Mu'a in Tongatapu .

Non-government

30. There is a small number of NGOs providing health related services:

- The Tonga Family Health Association provides programs in maternal and child health and HIV/AIDS & STDS, family planning and ante and post natal services through its clinic. It receives funding from the International Planned Parenthood Foundation (including AusAID funds) and from MoH.
- The Red Cross promotes blood donations (in association with the MoH which operates collection clinics), provides services to people with disabilities through a centre in Nuku'alofa and via home visits, conducts HIV and AIDS awareness and prevention programs as part of their first aid training and provides basic materials (toothpaste, tooth brushes, toilet paper etc) to people with psychiatric illnesses.
- The Tonga Youth Congress provides education in contraception, sexually transmitted infections (STIs) and HIV and AIDS. It also seeks to integrate health related learning into its environment projects. The Youth Congress distributes condoms throughout Tonga via its island based chapters.
- The Catholic Church operates a small number of health clinics.

PROBLEM ANALYSIS

Plans and their implementation

good planning not matched by implementation

31. The MoH has adequate planning and reporting capabilities but there is a gap between what is planned and what is delivered, that is in implementation. Support is needed to address the issue of implementation capacity – a likely mix of systemic changes and skills development.

Management capacity

32. The previous project successfully helped build management capacity within the MoH though turnover of staff in a small bureaucracy means these gains are less institutionalised than would be likely in a larger bureaucracy. A new Director was appointed in early 2009. The head of the planning and information unit has been seconded to fill the role of Secretary of Health in Nauru under Australian funding. There is an identified need to further build management capacity in the clinical areas. This may include building management skills in clinical staff and/or revising how management in those areas is delivered.

Curative health service delivery

33. While there have been some improvements in service delivery resulting from improved planning and management, there remains a need to improve both the efficiency and effectiveness of curative health services. While the health centres are intended to be the more cost effective, 'front line' of health care, the growing tendency to bypass them to seek treatment at the hospitals for even minor ailments needs to be addressed, particularly given the shortage of doctors. Some strategies are already in place such as the establishment of a super health clinic staffed by a doctor and the introduction of user fees at Vaiola Hospital.

Preventative health

NCDs the looming challenge

34. NCDs will place a great burden on the Tongan Health system over the foreseeable future. While improvements in curative health service delivery at both the community and national levels will be needed to deal with the growth in the number of patients suffering from life style illnesses, a proactive approach needs to be taken to ensure that future generations do not suffer the same fate. While the newly established Tonga Health Promotion Foundation (TongaHealth) will focus on this issue, the MoH will also need to build its capacity in preventative health. Existing health centres and clinics potentially offer an ideal basis on which to expand community based programs. The MoH (with WHO support) recently launched the Health Promoting Churches Partnership and also intends to work with community health committees to support the preventative health agenda. Support will be needed in planning, skills development and resourcing.

Resourcing

Tonga ranked third most vulnerable to natural disasters and external economic shocks

35. While the health budget has grown in recent years, the increase has been absorbed by increased salaries, and the rising costs of medical supplies particularly pharmaceuticals and the increasing cost of fuel. More effective use of resources is needed. Support is also needed to prepare for emergencies given Tonga is ranked third most vulnerable out of 111 countries to natural disasters and external economic shocks.

36. In summary, support is needed to build on, and sustain, the previous AusAID funded project work in planning, management and organisational culture and to build the MoH's capacity to address the NCD epidemic. Greater attention needs to be paid to service delivery and the systems and processes that help shape its quality. Most importantly, support is needed to ensure *implementation* of health service delivery is sound.

LESSONS LEARNT

Lessons can be drawn from previous support:

Tonga Health Sector Planning and Management Project

37. The purpose of the project was to improve the planning, management and delivery of the health services of the Government of Tonga. The Activity Completion Report[13] provides the following lessons:

- There is a need to commit to long term funding from the outset of a program to allow long term planning and timely implementation of plans.
- Time is needed to embed new systems, processes and behaviours.
- Programs need to use capacity building techniques and participatory management practices.
- Programs should ensure the organisational culture supports the change process and where it does not, focus on changing the culture to one that does.

[13] Aus Health International (2007) Tonga Health Sector Planning and Management Project Activity Completion Report dated November 2007.

- There is a need to ensure that the basic management building blocks of financial, human resource and information management are in place to support reform initiatives.
- Programs should identify appropriate long-term indicators, which are Ministry-focused and, where appropriate, measure health outcomes and monitor achievements against these on an ongoing basis.
- Programs need to build in flexibility – they should start simple and go back to basics where necessary and proceed with implementation at a pace that facilitates sustainability.

38. The Independent Completion Report[14] concluded:

- High level leadership is important to ensuring successful change in the Tongan context.
- Local ownership and commitment result when activities are underpinned by the principles of effective change management.
- A phased approach is problematic - long term planning is needed.
- Flexibility is essential to allow responsiveness to the changing environment.
- There is a need for continuous capacity building in Tonga because of its small workforce and continuous changes in personnel.
- Capacity development is needed in the central agencies to support change in the line agencies.
- Greater attention needs to be paid to monitoring and evaluation. There should be good quality baseline data established at the start of the program and methods for tracking changes included from the beginning to allow the measurement of outcomes and/or impact.

Vaiola Hospital, Tonga – St John of God Hospital, Ballarat Twinning Program

Successful hospital twinning has further potential

39. The twinning program between Vaiola and St John of God hospitals commenced over fifteen years ago. Its success has been based on[15]:

- A strong relationship between the two organisations.
- The personal commitment of individuals in both Australia and Tonga.
- The use of practitioners and practical experience to support skills development.
- Support from Ballarat Rotary Club through the provision of funding, equipment and volunteers.

Principles for the new health program

40. Principles emerging from these lessons that have helped shape the proposed new health program are:

- Support Tongan leadership and ownership of the program.
- Utilise (and continue to improve) the strengthened MoH systems.
- Provide a long term commitment.

[14] AusAID (2008) Tonga Health Sector Planning and Management Project Independent Completion Report dated 18 March 2008.
[15] Ministry of Health (2008) Application to AusAID for continuation of funding for the twinning program between Vaiola Hospital (Tonga) and St John of God Hospital (Ballarat, Victoria) dated 18 February 2008.

- Planning, including longer term planning should be via MoH planning processes (Corporate Plan and Annual Management Plans).
- Provide the flexibility to respond to emerging issues.
- Allow time and opportunities to build good relationships.
- Plan for monitoring and evaluation from the beginning.

COORDINATION WITH OTHER PROGRAMS

41. As outlined under External Funding above (page 6), Tonga has a range of external resources available to its health sector. Coordinated utilisation of these resources is important to maximise the benefits achieved and MoH has made this a priority. By linking the planning of utilisation of the AusAID funds directly with the MoH planning processes at three-year and annual timescales, the GoT can direct AusAID funding to where it can be most effective, and can complement the programs funded by others. The extent this is achieved will be dependent on the quality of GoT planning. Sound planning and monitoring against the plans will also improve the monitoring and integration of AusAID regional programs in health. This will be supported by AusAID Post involvement in the strategic oversight committee (discussed later in this report) and through the proposed six-monthly reviews. It is proposed that the Review Team be tasked to examine the implementation of both bilateral and regional funding.

42. The approach of the Program will make it possible for other external funding organisations to contribute resources to the sector in a similar manner. This would further enable good coordination and, once the MoH has shown its capacity to utilise AusAID resources effectively, it would be in a strong position to approach other donors to adopt a similar funding model.

SECTION 3: PROGRAM DESCRIPTION

ten year timeframe for support

Timeframe

43. The design endorses the ten year timeframe proposed in the draft Concept Paper[16]. The previous AusAID project demonstrates the importance of a long term commitment to help ensure success. The long term commitment allows for the implementation of strategies that require time to make an impact such as those related to the management of human resources for health or NCDs.

Tonga's planning context

44. The approach proposed in this design requires close alignment of AusAID funding with the GoT's Vision and Mission for the health sector.

45. The current Strategic Development Plan Eight 2006/07 – 2008/09[17] (SDP8) notes Tonga's endorsement of the Millennium Development Goals targeting reductions in child mortality and improvements in maternal health. It has, as one of eight goals, "Goal 6: Improve Health Standards" with six

[16] Draft Concept Note. Australia – Tonga Health Improvement Facility. AusAID 27 March 2008. See Annex 2.

[17] SDP8 is currently under review and SDP9 should be developed by early 2009. Indications are that health will remain a priority and strategies are not expected to vary greatly from SDP8.

strategies set out for achievement over the period of the plan. SDP8 also identifies strategies which complement the health goal, focused on "Improving Equity and Reducing Hardship", "Improving Education Standards", "Environmental Sustainability and Disaster Risk Reduction" and "Maintaining Social Cohesion and Cultural Identity". Refer to Annex 1 for detail.

46. The MoH's draft Corporate Plan for the period 2008/09 – 2011/12[18], developed within the context of SDP8, sets out a Vision:

> *By 2020, we are the healthiest nation compared to our Pacific neighbours as judged by international standards and determinants;*

and a Mission:

> *To support and improve the health of the nation by providing quality, effective and sustainable health services and being accountable for the health outcomes*.[19]

The Corporate Plan also identifies core values and details six key result areas and associated strategies, targets and performance indicators. An assessment of the Corporate Plan and the associated Balanced Scorecard is included as Annex 9.

AUSAID SUPPORT

alignment with Tonga's vision

47. The MoH Vision provides the context for AusAID's assistance to the sector.

Objectives

48. In support of the MoH Vision and Mission, the objectives of AusAID financing are:

- to enable the MoH to implement its Corporate Plan to improve health service delivery systems;
- to enable the MoH to fund critical service delivery deficiencies;
- to enable the MoH to manage, utilise and report on AusAID funding using GoT systems and strengthening them where necessary.

Focus

Partnership for Development

49. The Partnership for Development between the GoT and GoA identifies agreed priority outcomes in health based on the MoH's Corporate Plan and Balanced Score Card. These are Key Result Areas 1 and 3 of the Corporate Plan, in particular the targets of:

- Reduced prevalence of non-communicable disease risk factors including:
- Tobacco Use: 2% decrease in prevalence of smokers by 2015.
- Obesity: 2% decrease in overall prevalence of obesity by 2015.
- Budget for preventive health care reaches 10% of total public health operational budget by 2015.

[18] A copy of the draft final Corporate Plan is included in the references folder accompanying the electronic version of this document.

[19] Ministry of Health, Kingdom of Tonga. Final Draft Corporate Plan 2008/09 – 2011/12 page 8.

- Primary health care to all communities in Tonga to follow a common national standard including the utilisation of this service.

Results

expected results

50. The results expected are:

51. Key limitations in Tonga's health service delivery system will have been analysed and affordable actions successfully implemented so it can better respond to the health needs of the Tongan people.

- The limitations to be addressed will be identified and prioritised through the MoH's Corporate Planning process. Subject to the agreed focus on priority outcomes above, funding can be utilised to improve any systems identified in the Corporate Plan.

52. The MoH will have substantially improved procedures and skills in analysis, project management and monitoring, and have demonstrated its ability to effectively and efficiently manage implementation of a wide range of improvement projects (funded by donors or GoT).

53. The MoH will have met critical, temporary service delivery deficiencies (including staff) which Tonga could not finance or source, within a specific limited allocation of three specialist positions.

- This allocation can be varied by the strategic level management committee (termed the ET-Plus) but any increase should be very carefully considered because of the likely impact on achieving sustainable improvements.

Form of aid proposed

support to partner programs

54. The form of aid proposed is 'Support to Partner Programs'[20] using sector budget support (with agreed joint oversight) as the aid modality. The rationale for this is:

- Australia has a strong partnership relationship with Tonga and has indicated its intention to provide long term support to Tonga's development.
- The vast majority of both curative and preventative health services are provided by the government.
- The GoT has clearly stated policies for improving the health of its people, involving programs of the MoH, other agencies and community organisations, which align closely with Australia's views of the challenges faced and the appropriate approaches to address them. The Corporate Plan is Tonga's main health focused planning document.
- The MoH has sound systems for making decisions about priorities and the allocation of resources. Independent evaluation has confirmed these capabilities.[21]

[20] AusGuideline 3.2 page 13. It is understood this guideline is currently being revised by AusAID

[21] Refer to Tonga Health Sector Planning and Management Project Independent Completion Report, 18 March 2008

- Through use of its Balanced Scorecard, the MoH has developed performance measures and targets for health outcomes, service improvement and sector management, and is collecting and publishing data against these measures.
- The MoH actively coordinates the focus and implementation of donor funded support to the sector, with some support from the Ministry of Finance and National Planning.
- GoT and AusAID have recently agreed to support procurement within the GoT including the Ministry of Health. This will help to reduce the fiduciary risks of the proposed aid modality.

55. Tonga has not sought to have funding organised within a sector wide approach (SWAp) at this stage, despite it having adequate planning, decision making and monitoring systems to support a SWAp. It is conscious that it needs the experience of operating these systems with donor funding before a SWAp would be appropriate and that its capacity for project implementation needs to be built. The experience gained under the approach of this design will enable the MoH to learn by doing and continuously improve its systems, processes and understanding. It will encourage confidence in managing improvements in the sector and will build implementation capacity. In time, with the experience gained under this funding, Tonga may choose to bring all donor funding together with its own financing, under a SWAp.

56. The Minister of Health believes donor coordination should be managed by the MoH, not by a donor led or donor constructed arrangement.

57. AusAID will continue to encourage and support MoH led coordination of development partners. Australian support to the health sector in Tonga is based on a 10 year time frame, by the end of this period the desire from AusAID's perspective is to have a true SWAp,

Delivery organisations proposed

delivery by MoH

58. The primary delivery organisation proposed is the Tonga MoH. It is expected that a number of Tongan and overseas organisations will play a role in implementation, but the responsibility for decision making, for implementation and for monitoring will lie with the MoH. The rationale for this relies on:

- The Ministry is the primary provider of services.
- The Ministry has established planning and prioritisation processes, documented and linked to the national planning structure and priorities.
- The Ministry is implementing a comprehensive performance monitoring system, linked to its corporate and annual planning priorities and to its executives' performance contracts.
- The Ministry has a cooperative relationship with non government service providers and with local communities, which encourages participation.

59. Some existing committed support, under PACTAM and twinning with an Australian hospital (both discussed later), will continue to be delivered under current arrangements, but may be varied, adjusted or concluded if this

is determined through the decision processes described in this design framework. The budget for these is included in the total budget for this design framework.

60. The MoH will utilise and finance non-government, community and other government organisations to implement specific priorities where they are the most capable and appropriate and the function is within their mandate.

Financing arrangement proposed

sector budget support

61. The primary financing arrangement proposed is sector budget support as the aid modality.

62. Based on the Public Expenditure and Financial Accountability (PEFA) report prepared in 2007[22] and a procurement review undertaken in 2008, AusAID has agreed to fund an Interim Procurement Implementation Unit within the Ministry of Finance[23] to manage all Australian funded procurement above TOP30,000 until such time as GoT promulgates a procurement regulatory framework and has the capacity to manage procurement. (See Annex 6 for TOR for these positions.) In addition, New Zealand and Australia are cofinancing a procurement adviser with the Ministry of Finance. This will: provide assurance to GoA and GoT that MoH procurement is properly managed; will diagnose any problems in MoH procurement practices; and enable assistance to improve procurement practices where needed.

63. Assistance recommended for the Ministry of Health could be funded from the program and may include:

- Technical support to strengthen their systems and procedures;
- Training; or
- Funding of additional, or more qualified staff, to help operate or oversee the systems.

64. It is proposed that the size and timing of tranches to the GoT be linked to the three-monthly reporting against the Annual Management Plan by the MoH to the recently established Expenditure Review Committee and be dependent on agreed simple expenditure reporting. (See Annex 2 for annual cycle.)

65. The reasons for proposing this financing arrangement are:

- By utilising, with support where necessary, the GoT's own accounting, procurement and reporting systems for the management of donor funds, the capacity of the Ministry to manage and report on their own funds will simultaneously be built.
- The oversight via six-monthly reviews, as detailed in this design, and of procurement (through separate AusAID support[24]) will help the MoH to diagnose any weaknesses in finance related systems and encourage improvement of those systems.

[22] A copy of the PEFA report is included in the references folder accompanying the electronic version of this design.
[23] See TOR in Annex 6.
[24] See TOR for AusAID procurement support based in Ministry of Finance in Annex 6.

- The MoH has, in the main, demonstrated its capacity to operate its finances in accordance with legislation.
- It does not create parallel systems for MoH to manage, reducing the burden of aid management on MoH.
- It provides a basis for other donors to also utilise GoT systems to finance health.

COMPONENTS

66. The program has three components:

address capacity limitations

Component 1:
Implementation, by the Ministry of Health, of strategies to improve systems that are constraining health service delivery in Tonga.

System improvement

67. The MoH will utilise the funds to analyse in greater detail limitations on the sector's capacity to deliver health services and to develop and implement strategies to address those limitations. The focus for use of Australian funds will be on the priorities agreed in the Partnership for Development (PfD) between the GoT and GoA. (See paragraph 49 above.) While the GoT and GoA have agreed that these targets will be given particular attention, funding can be utilised for any system improvements identified in the Corporate Plan.

68. Planning the allocation of AusAID funds will be through the MoH's corporate and annual planning processes, and documented in the MoH's costed Annual Management Plan with forward estimates for three years where appropriate. Projects proposed for financing from Australian funds will be identified in this Plan. To achieve the longer term and larger scale improvements to health service delivery systems, it will be necessary for projects to be implemented over several years. This will require forward commitments for multiple years. Some of these programs may start out as a review or detailed analysis undertaken in one year that leads to a plan for implementation which may take several years to complete.

69. The allocation of AusAID funds detailed in the Annual Management Plan will be approved by a strategic oversight committee. This committee will be comprised of the MoH Executive management team, an AusAID representative and two Tonga NGO representatives. This Committee is referred to as the ET-Plus in this document (i.e. the Executive Team plus others). The GoT may wish to include other partner representatives on the ET-Plus. The WHO Country Liaison Officer would be an obvious position to include to enhance coordination.

Running costs

70. As a general principle, the funds from this component will not be available to meet or supplement the normal running costs of the MoH or sector. However, the funds may be used to meet the costs of temporary contracted staff, consultants or temporary operational costs where directly associated with a capacity improvement project. They may be used for equipment and small scale infrastructure refurbishment where this is important

to the capacity of the health system and the recurrent budget implications for maintenance and operation are affordable from the GoT budget.

The rationale for this constraint on the use of AusAID funds is:

- the GoT currently provides adequate, balanced funding to meet recurrent costs for basic service delivery. (The health budget equals to 7.5% of total government expenditure[25].);
- allocation of AusAID funds to running costs would enable these funds to substitute for GoT funding, weakening the MoH case for maintenance of a sensible proportion of GoT funds being allocated to health, thus undermining long term sustainability;
- use of AusAID funds for running costs may enable more service delivery but will not improve the quality of the health service delivery systems, their efficiency or their sustainability. The known inefficiencies would continue;
- it would risk building a dependency making Tonga's health system vulnerable to changes in Australian policy, over which they have little influence;
- the Tonga Minister of Health specifically directed that running costs should not be financed by AusAID;
- AusAID Post needs clarity about where funds should be allocated if it is to participate in the ET-Plus in a productive way. It would be unhelpful for the Post to have to play a role of continually resisting a drift to a growing proportion of the AusAID funding being used to pay salaries and fuel costs.

If the financial circumstances of the GoT change significantly such that it cannot afford to fund basic service delivery the ET-Plus could agree to a temporary relaxation of this constraint. This could be done most simply by agreeing to a temporary increase in the allocation to Component 2 below.

Flexible fund

71. A Flexible Fund will be established to provide immediate access to funding for unplanned small scale and/or urgent work. Decisions on its use will be made by the MoH Executive team. The amount initially allocated to this fund be AUD200,000 (TOP320,000) per year. The ET-Plus will decide the amount to be allocated to the Flexible Fund each year.

Twinning

72. The twinning arrangement with St John of God hospital in Ballarat, recently extended for a further three years, will be funded from Component One.

73. There is potential for the St John of God Hospital Ballarat, and its associated hospitals, to be a source of assistance to the MoH on a much larger scale than has been the case under the twinning arrangement, including the identification of technical assistance across the sector. The hospital has

[25] Donors supplement the health budget by approximately 30%.

expressed a willingness to be involved in this way. It would be appropriate for the MoH and AusAID to explore options for this support.

Reporting

74. The MoH will report to the ET-Plus on progress in implementing the Annual Management Plan. Reporting will be quarterly and in a format similar to the reporting required of MoH to the Expenditure Review Committee (ERC).

Example projects under Component One
(These examples were not developed with MoH and are only provided to show the breadth of types of projects that could be funded under Component one. As examples they are not directly related to strategies in the MoH Corporate Plan.)

- Expand the screening programme for risk behaviours conducive to developing NCDs with emphasis on children and other high risk population.
- A review of options for more cost effective purchasing of pharmaceuticals leading to implementation of an improved stock control system and joint annual tendering with two other Pacific Island Countries. Review, stock control system and set up of tender process all funded from AusAID. Pharmaceuticals purchase costs from GoT funds.
- Tonga Youth Congress managed teen pregnancy education project.
- Development of new standard designs for health centres and construction of five health centres on outer islands of Ha'apai.
- Study of market options for providing scheduled and emergency transport services for outer island health staff and communities.
- Purchase of appropriate medical waste storage containers to enable secure transport to incinerator.
- Selection, purchase and installation of medical waste disposal facilities on Ha'apai and Vava'u.
- Contribution to cost of WHO managed nurse workforce planning including survey of nurses and training of MoH staff in workforce planning.
- New infection control systems put in place in all hospitals including new equipment, training, staff education posters etc.

temporary funding of critical shortages

Component 2:
Provision of funding to meet, on a temporary basis, critical <u>service delivery</u> deficiencies, including staff, which Tonga cannot finance and/or source.

<u>Critical deficiencies in service delivery</u>

75. Tonga faces difficulties in attracting and retaining staff especially those who have skills for which there is an international demand. AusAID already provides salary supplement to enable the MoH to employ two expatriate surgeons and an anaesthetist this arrangement can continue with funding under this component. More sustainable solutions to these challenges are desirable but it is likely some funding of this type will be required for the

medium term. The funds allocated to this component should be used to address critical deficiencies in service delivery while longer term solutions are developed and implemented. The MoH identified professional staff retention as a critical issue and a draft TOR for a review to identify ways to address this is included in Annex 11 and could be funded under Component 1.

76. Other critical service delivery support that Tonga cannot source and/or fund may also be financed under this component. The annual allocation to this component will be set by the ET-Plus. An annual allocation of up to three positions (approximately AUD440,000) is recommended as an upper limit, which is the current resourcing level (two surgeons and an anaesthetist).

77. The Annual Management Plan will include the funding for inputs under this component, and must be approved by the ET-Plus.

78. It is expected that AusAID will use existing arrangements under its regional or global programs (e.g. PACTAM) to source the support required, but if it is more appropriate for Tonga to access the required support under other arrangements (e.g. WHO or UN volunteers, or local recruitment) funding under this component could be utilised.

Reporting

79. Reporting will be incorporated into MoH's reports to the ET-Plus. If AusAID contracts the support it will have responsibility for providing financial information to MoH for inclusion in reports. The MoH will provide information on performance of the work funded.

support MoH to manage,utilise and report

Component 3:
Provision of support to the Ministry of Health to manage, utilise and report on its resources .

80. There are four parts to this component:

- Establishment - of the systems, processes and staffing for the program.
- Resource provision - to support the additional work generated by the program.
- Capacity building - to ensure MoH continues to improve capacity to manage, utilise and report on its resources
- Joint monitoring – to track progress, identify and integrate lessons learned and manage risks.

Establishment

81. Establishing the program will require a range of actions including:

- Development of the Subsidiary Arrangement (SA)between GoT and GoA.
- Creation of the ET-Plus including development of the terms of reference (TORs) and selection of the NGO representatives.
- Finalisation of the TORs for the MoH Program Manager. (Draft TOR in Annex 3.)
- Finalisation of the TORs and selection of the Program Coordinator. (Draft TOR in Annex 3.)

- Identification, quality assurance and documentation (if not already in existence) of relevant GoT finance, procurement and HR processes and systems.
- Development of formats (based on existing GoT procedures) for project proposal descriptions, rationale, budgets, scheduling. This should include basic analysis of equity implications of the projects.
- Development of the reporting formats (based on GoT reports) including reporting on equity impacts.
- Review of the data gathering processes for the balanced scorecard to ensure essential information can be collected.
- Review of Annual Management Plan format to incorporate identification of Australian funding as necessary.
- Development of a strategy to facilitate the consideration of equity[26] issues during planning, decision making, project implementation and project reporting. This will take account of relevant GoT policies including Tonga's National Policy on Gender and Development.

82. The proposed budget includes allocations for establishment of the program. It also includes amounts for annual independent audits(until such time that GoT audit systems are robust enough), and additional costs for AusAID mid-term reviews and documentation in the final year of this phase.

83. The support proposed for establishment comprises:

- Long term (two years) technical assistance (an Establishment Advisor) to the MoH and AusAID to help establish the program and facilitate the actions detailed above. The role will also support the determination of MoH secretariat processes and standards, project planning processes, human resource systems, finance processes, record keeping and filing systems and the reporting processes and formats. A focus will be on building implementation capacity. (This TA will also support capacity building – see below.)

<u>Resource provision</u>

84. Given the additional funds that the GoT will be managing, additional resources will be needed by the MoH to carry out the coordination role. It may also need additional resources in corporate functions such as finances, procurement and human resources to manage the extra work generated by the program. It is proposed that:

- A full time, long term coordinator position is funded by the program to provide day to day support to the Principal Health Planning Officer who has been designated MoH Program Manager for AusAID funding. In addition, this position may need administrative support – a decision to be taken once the program is underway.

[26] These equity issues are likely to include dimensions of age, disability, remoteness, gender and income. While social status is a significant dimension of difference in Tonga it may be that sensitivities and respect mean that this is not a factor that can be included in analysis in the immediate future.

- Additional resources may be provided to the corporate areas on an 'as needs' basis to respond to workload demands. This may include temporary full-time, part time or casual staff.

Capacity building

85. The sustainability of improvements in Tonga's health system depends on Tonga's continuing capacity to manage improvements. By integrating AusAID Program funds with the GoT system, it is intended that the MoH's capacity to manage, utilise and report on its own or other donor funds will be built. The use of Tonga's own systems, and improvement of those systems where necessary, is therefore key to the approach proposed. Under this component support will be provided to improve systems and processes, increase the skills of those responsible and improve the utilisation of these systems and processes.

86. The support proposed comprises:

- The long term technical assistance identified above (Establishment Adviser) will assist with capacity building. In particular, the technical assistance will focus on building the capacity (systems and skills of relevant staff) to manage implementation.
- Intermittent technical assistance to assist the MoH to develop an equity strategy linked to GoT policy.
- Intermittent technical assistance to assist the MoH to put in place the data gathering and analysis mechanisms needed for the Balanced Scorecard where needed.

87. Note that Project Managers may apply for administrative or technical support as part of project plans. Those resources will be funded from Component 1.

Joint monitoring and evaluation

monitoring against balanced score card

88. The MoH will have the primary responsibility for the day to day monitoring of the program utilising the existing processes used to monitor utilisation of GoT resources, implementation of planned actions and progress against performance indicators. The MoH Executive will oversee projects being implemented and will be supported in this by the Program Manager and Program Coordinator (See Section 4 for detail.) Part of the planning process will focus on how to measure results and data collection for monitoring the implementation of the Corporate Plan.

89. In addition, resources will be needed to support the two types of periodic review proposed:

joint six-monthly reviews

- The first, Six-Monthly Reviews, will examine and report on the operation of the program, the quality of its management, assess its influence on the capacity of the sector and make recommendations for improvements in design and operation. This review is expected to require three people for a period of one week. The team should include a permanent Tonga member, independent of the sector, should be led by a technical health adviser, and include a person with skills in

capacity development. It is recommended that the team be supplemented as needed by a person with technical skills in financial management and procurement. For the first two years this should be one of the procurement advisers which AusAID is financing to support the Ministry of Finance.

This Review will provide AusAID and GoT with assurance about the efficient and effective utilisation of the AusAID resources and evidence of the contribution of AusAID resources to improvement in the capacity of the sector. The review team should present the findings to the ET-Plus. Draft TOR for these reviews are provided in Annex 4.

While proposed as six-monthly reviews it is expected that after five years annual reviews will be more appropriate. The budget is based on this assumption.

independent assessment of sector's progress

- The second will be an Independent Assessment of the sector's progress toward its goal. This will assess changes in the state of health in Tonga and analyse trends and challenges to improvement – i.e. it will track impact. It will rely, to a significant extent, on data routinely collected by the MoH for its reporting against the Balanced Scorecard. Ideally this review should be undertaken and financed together with other agencies supporting Tonga's health sector including Japan, China, WHO and the World Bank. A baseline study will be commissioned in 2010 or 2011 and will include an assessment of the adequacy and quality of the MoH's health information systems and data to support these assessments in future years. It is envisaged that this independent assessment will be repeated in year 2015 and 2019. As GoT, with the World Health Organisation, intends to repeat a STEPS survey[27] of adult risk factors in these years, the independent review should be combined with this survey.

- The capacity building support proposed above will help ensure that MoH data gathering processes provide data on all balanced scorecard indicators needed for this assessment including qualitative indicators relating to organisational effectiveness.

90. The TOR for both the six-monthly reviews and the Independent Assessments, and the personnel to conduct the reviews should be agreed by consensus between the MoH, AusAID and any other relevant financing organisations.

91. AusAID will be responsible for managing these reviews and contracting the necessary personnel. They will be funded from within the overall allocation and will be included in the Annual Management Plan. AusAID will provide estimates to the MoH of the cost of these reviews for inclusion in the costed

[27] See http://www.who.int/chp/steps/riskfactor/en/index.html for detail

Annual Management Plan. (The rationale for AusAID managing these reviews is the involvement of donor funding. These are processes which GoT would not necessarily put in place in this form. Their management would be an unnecessary distraction from the MoH's core business.)

92. The reports of the Independent Assessments should be published on the MoH and AusAID websites. The Six-Monthly reviews should not be routinely published, thereby encouraging a frank critique, but may be made available to relevant parties with the agreement of all relevant parties.

Estimated budget and timing

AUD24.5 million budgeted over ten years

93. AusAID has initially indicated that an allocation of AUD2.0 million (TOP3.2m) is available for FY09/10 rising to AUD 2.5 million (TOP4.0m) in FY 10/11 and later years of the program.

94. Table 1 presents a budget for the program over ten years based on 2009 values. Overall the budget is within 7% of the indicative allocation. The budget shows estimates in the first two years that are substantially under allocation because of late changes in the indicative allocations for those years which it is unrealistic to utilise effectively. The AusAID Post has indicated that this is acceptable for the purposes of the design. Adjustments to the budget will need to be made each year as the program develops. Annex 5 shows cost assumptions for the budget. The budget spreadsheet is included with the reference documents accompanying the Design.

Table 1: Estimated Costs of Program (AUD)

Financial Year	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	Total	% of Total
Component 1												
Address constraints	300,000	750,000	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000	12,450,000	54.5%
Flexible Fund	200,000	200,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,400,000	10.5%
Hospital Twinning	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	600,000	2.6%
Subtotal Component 1	560,000	1,010,000	1,710,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,310,000	15,450,000	**67.6%**
Component 2												
Provide for critical deficiencies	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	6,600,000	19.3%
Sub-total Component 2	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	6,600,000	**19.3%**
Component 3												
Establish Program	125,000	250,000	125,000	0	0	0		0	0	0	500,000	2.2%
Close Program	0	0	0	0	0	0	0	0	0	200,000	200,000	0.9%
Subtotal Establish and close facility	125,000	250,000	125,000	0	0	0	0	0	0	200,000	700,000	**3.1%**
Coordinator	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	285,000	1.2%
Finance administration costs	26,800	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	386,800	1.7%
Subtotal Resource provision	41,800	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	671,800	**2.9%**
Build capacity to use Program (initial)	62,500	125,000	62,500	0	0	0	0	0	0	0	250,000	1.1%
Provision for additional capacity building					125,000		125,000		125,000		375,000	1.6%
Sub-total Build capacity to operate Program	62,500	125,000	62,500	0	125,000	0	125,000	0	125,000	0	625,000	**2.7%**
Independent Audits		19,960	19,960	19,960	19,960	19,960	19,960	19,960	19,960	19,960	179,640	0.8%
Six-Monthly Reviews (Annual from 14/15)	38,585	77,170	77,170	77,170	77,170	38,585	38,585	38,585	38,585	38,585	540,190	2.4%
Independent Assessment	0	95,920	0	0	0	95,920	0	0	0	95,920	287,760	1.3%
Sub-total M&E	38,585	193,050	97,130	97,130	97,130	154,465	58,545	58,545	58,545	154,465	1,007,590	**4.4%**
Sub-Total Component 3	**267,885**	**638,050**	**354,630**	**167,130**	**292,130**	**224,465**	**253,545**	**128,545**	**253,545**	**424,465**	**3,004,390**	**13.1%**
TOTAL	**1,267,885**	**2,088,050**	**2,504,630**	**2,417,130**	**2,542,130**	**2,474,465**	**2,503,545**	**2,378,545**	**2,503,545**	**2,174,465**	**22,854,390**	**100.0%**
Expected Allocations	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	24,500,000	
Under/Over expected allocation	732,115	411,950	-4,630	82,870	-42,130	25,535	-3,545	121,455	-3,545	325,535	1,645,610	
% Under/Over expected allocation	37%	16%	0%	3%	-2%	1%	0%	5%	0%	13%	7%	

95. The proportion of funds allocated to each component and sub-component are shown in the right hand column of the budget. In summary:

- 60% is allocated to Component 1 focused on addressing limitations to the sector's capacity.
- 24% to financing critical deficiencies.
- 10% to supporting and building the MoH capacity to utilise the facility.
- 6% to monitoring and evaluation.

6% of budget for M&E

96. A range of factors will affect how closely these estimates reflect future reality. The most significant of these will be the MoH's capacity to utilise the available funds. There are two responses to this built into the design. Firstly, the allocation of funds to Component 1 is small in the first year and grows to a maximum over four years. Second, there is a body of support, within Component 3, designed to assist the MoH to develop its capacity to utilise the funds. It will be possible to calibrate the balance between these allocations based on experience, with additional support for utilisation being provided and Component 1 allocations being decreased if utilisation is slow. It will be important to monitor the balance between these elements.

97. There are also external factors that may place demands on the program and, if responded to, will affect the budget. In particular, there is a likelihood that there will be pressure to enlarge the allocation for provision for critical deficiencies if essential staff retire or resign and cannot be replaced from within Tonga. Any increase to the Component 2 budget should be very carefully considered.

98. Funding by other donors may place strains on the MoH, affecting its capacity to utilise funds; or may relieve pressures that would otherwise place demands on the Program. It will be important for the MoH, AusAID and the Six-Monthly Reviews to monitor these factors and consider any necessary adjustments.

99. The timing of the Independent Assessment will have a smaller impact on the estimates.

SECTION 4: IMPLEMENTATION

MANAGEMENT AND GOVERNANCE

100. The following governance and management arrangements seek to build on, and develop, the capacities of the Ministry of Health. Planning and management of the program is integrated as far as possible with GoT systems, including program coordination, project management, financial management, and performance reporting. Figure 1 (page 32) shows the inter-relationships.

Strategic Management

strategic management involving AusAID post

101. The functions of strategic, high level planning and monitoring will be carried out through six monthly meetings of the MoH Executive Team plus AusAID and two NGO representatives (termed ET-Plus). The GoT may wish to

include other partner representatives on the ET-Plus and AusAID would have no objection to this.

102. The ET-Plus will:

- Approve the allocation of Australian funds within the Ministry's Annual Management Plans and approve forward estimates for Australian funds for up to three years.
- Approve the allocation of funds to the Flexible Fund and to Component 2.
- Monitor progress of implementation at a strategic level (i.e. overall progress against budget and implementation) on a six monthly basis. Intervene in issues of a strategic nature if needed.

Secretariat services are to be provided by the Program Manager and Program Coordinator (see below).

103. The inclusion of two NGO representatives on the ET-Plus is intended to recognise that NGOs already play an important (and growing) role in the delivery of health services and health promotion and some NGO health programs are funded in part or in full by the Ministry of Health. Their inclusion will also provide an additional conduit for the Ministry to hear and take account of community views and demonstrate openness of MoH decision making. The NGO representatives should be full participants in the ET-Plus, having voting rights – in the unlikely event that decisions cannot be resolved by consensus.

104. The Minister of Health or MoH should appoint the NGO representatives after inviting expressions of interest. Consideration should be given to including representation that will bring the perspectives of women, youth and remote communities to the ET-Plus.

105. When the ET-Plus is making decisions on funding that may affect an NGO which is represented on the ET-Plus, that NGO should not participate in the decision making process to avoid any real or perceived conflict of interest.

106. It is anticipated that AusAID Post will be supported at ET-Plus meetings by a Health Adviser.

Implementation Management

MoH to manage implementation

107. Management oversight of the program is to be provided by the MoH Executive Team (ET), led by the Director of Health. Discussion on progress of the program will be a standing agenda item at a nominated meeting every month (the team meets weekly). Individual issues may be discussed at any meeting if required. The role of the ET will be to:

- Allocate responsibility for implementation to Project Managers (including NGOs where appropriate),
- Monitor implementation against Project Plans and the overall Program Plan,
- Decide what should be funded from the Flexible Fund,
- Monitor program expenditure,
- Address issues impacting on implementation when needed (more strategic issues may be referred to the ET-Plus).

Secretariat services are to be provided by the Program Manager and Program Coordinator (see below). A summary schedule of actions required to establish the arrangements for Australian support to commence is set out in Annex 7.

Program Manager (PM)

108. The Program Manager will be a senior MoH manager nominated by the MoH (most likely the Principal Health Planning Officer). The role will involve:

- Oversight of the management and implementation of Australian funds within the MoH's systems,
- Supervision of the Program Coordinator,
- Provision of support and assistance to Project Managers when needed,
- Oversight of the financial aspects of the program (ensuring bills are paid etc),
- Provision of secretariat services to both the ET-Plus and ET - this will include collation of reports, the recording of minutes and follow up action where necessary,
- Liaison with AusAID on day to day aspects of the program.

Program Coordinator (PC)

109. The MoH Program Manager will be supported by a fulltime Program Coordinator. The position is to be funded by the program. The role of the Coordinator will be to support the Program Manager to carry out his/her responsibilities. The coordination role may require additional assistance, potentially administrative support or technical assistance. This will be determined once the program is operating.

Project Managers (AMs)

110. Each project funded under the program (including technical assistance) will have a nominated Project Manager. This will usually be the Division Head or Section Head where the relevant function is located. When a project is being delivered by a non MoH agency (for example an NGO of other government department), the Project Manager will be that agency's head or nominated senior officer. The role of the Project Manager is to:

- Prepare a Project Plan that clearly sets out:
    - the purpose and intended impact of the project on health service delivery,
    - the steps in implementation,
    - proposed timeframes and person's responsible,
    - technical assistance and additional human resources needed, and
    - other resources required.

    Project Plans will be developed within the context of the intent and indicative budget outlined in the Annual Management Plan and approved by the ET-Plus. They should be as simple as possible taking account of the funds allocated and the need for a practical plan to guide implementation.

- Implement the Project Plan,
- With support from the Interim Procurement Implementation Unit (over TOP30,000) or MoH's Procurement Section(under TOP30,000), procure goods and services,
- With support from the MoH's Human Resources section and the Interim Procurement Implementation Unit (and possibly the Coordinator), recruit and supervise all personnel associated with the project including technical assistance,
- Report monthly to the MoH Executive management team on progress against the plan and budget. This report should be simple and should highlight any problems or impediments faced. It should usually be no more than 1 or 2 pages.
- On completion of the project, report on its implementation, expenditure, impact and any lessons learnt.

111. Project plans and reporting should utilise any appropriate existing formats of the MoH. If it is necessary to develop a new format it should be designed to be relevant to reporting on projects funded from the MOH's own funds.

Financial management and administration

112. Financial management, procurement and human resource management functions are to be carried out by the relevant MoH Sections. Sections will be supported to fulfil their role through the Program Coordinator. Support may be in the form of advice, training, systems development or additional resources (e.g. temporary staff if needed).

113. Program funds will flow through the GoT General Development Account, an account for all donor funds. This account is managed by the Treasury Division of Ministry of Finance and Planning and has documented guidelines. The account is reconciled daily. Audit of the account takes place at the same time as the national accounts are audited. Based on the quality of these audits and their management recommendations, AusAID will make a decision about whether they will fund regular independent audits of this account (either 6 monthly or annually). Any independent audit should include funding for MOH and for other GOT agencies. Provision has been made in the budget of this design for annual independent audits.

114. Funds are to be provided by AusAID to GoT quarterly in advance in response to a GoT request that specifies funds remaining and funds required for the coming half year.

Procurement

115. Currently GoT procurement systems are not robust enough for the Program to rely on and need to be supported. The following procurement arrangements are proposed which are consistent with all other programs to which AusAID is contributing funding. AusAID has clearly outlined the basis for its concerns with using GoT procurement systems, but has also made a commitment to strengthen local systems and capacity and progressively utilise them as the regulatory environment and capacity is built in GoT. It will also

help to ensure that program procurement is undertaken in a defensible and timely manner, noting the current weaknesses in Tonga's systems.

Procurement over TOP 30,000

116. Procurement will be supported via an Interim Procurement Implementation Unit (IPIU) located with the two existing procurement personnel in the Procurement Division of the Ministry of Finance and National Planning (MOF). The IPIU will conduct all AusAID program procurements worth more than TOP 30,000 in close consultation with the MoH.

117. It is intended this arrangement continue until a revised regulatory framework for procurement in Tonga is approved by Cabinet. The passing of the revised regulatory framework will be a trigger for AusAID to assess the capability of the MoH to assume full responsibility for procurement and whether specific support is needed to assist MoH to take over all procurement from the PIU.

Procurement for items under TOP 30,000

118. Procurement for items under TOP 30,000 and all related payments will follow government systems and will be the responsibility of MoH. AusAID retains the right to undertake a procurement audit for a sample of the procurements conducted by MoH.

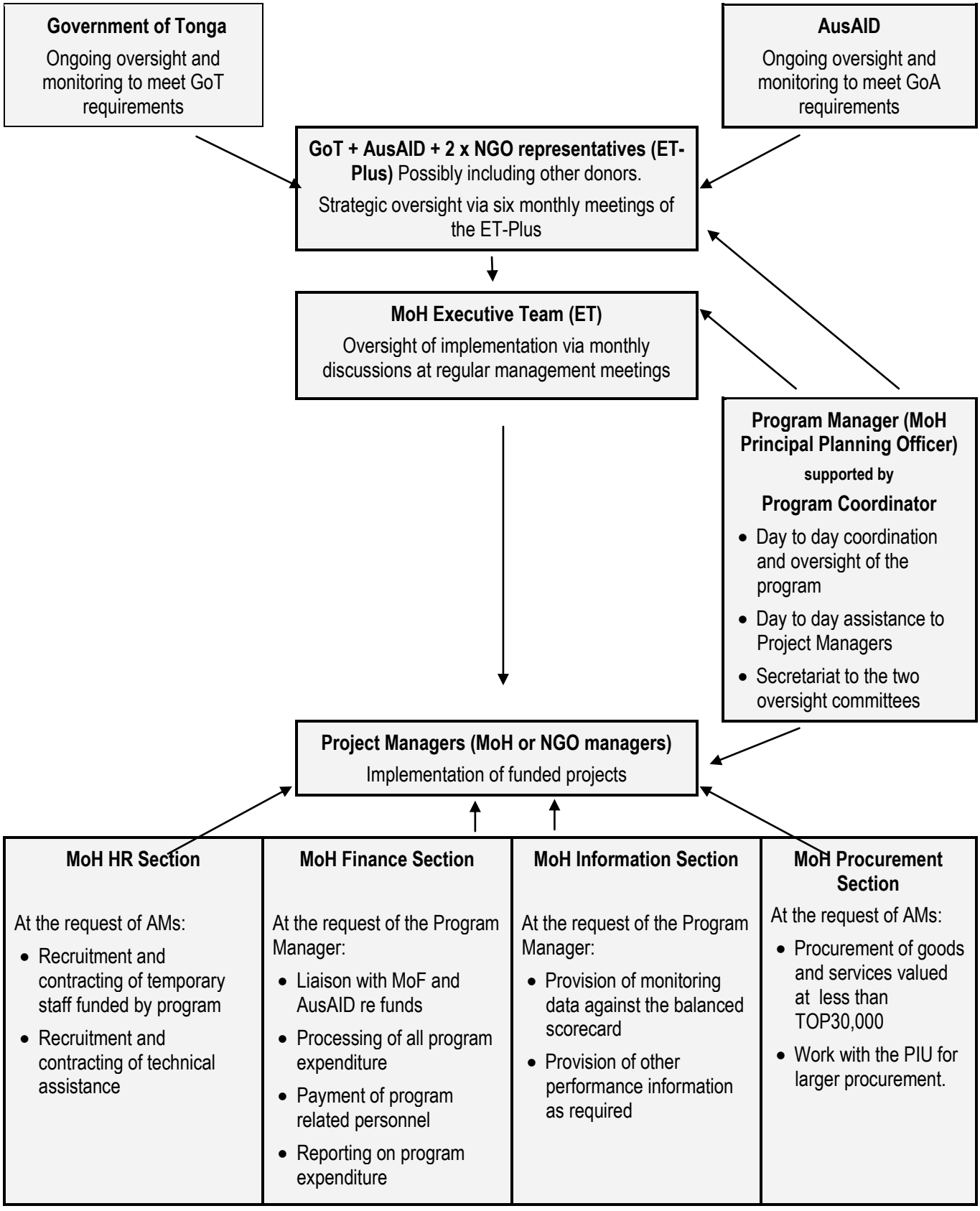
Recruiting Technical Assistance

119. If the MoH needs to recruit technical assistance personnel or teams from overseas and it needs assistance to identify, contract and mobilise these personnel, it could utilise several options:

- The St John of God Hospital at Ballarat, which MoH has an established twinning relationship, may be able to provide assistance.
- AusAID may facilitate the MoH utilising the AusAID Health Resource Facility, managed by HLSP Ltd, to recruit TA.
- MOH could contract a company with relevant expertise to undertake recruitment for them. A number of such companies exist in Australia and New Zealand.

The costs of these arrangements should be met from the Australian funding. The procurement procedure to be used will depend on the value of the procurement as detailed above.

FIGURE 1: PROPOSED MANAGEMENT AND GOVERNANCE STRUCTURE



MONITORING AND EVALUATION

balanced scorecard

120. The basis for monitoring and evaluation of the Program will be the MoH Balanced Scorecard (see Annex 8). Assessments of the Balanced Scorecard and the Corporate Plan are included in Annex 9. This tool was developed by the MoH with AusAID assistance. It provides a very good basis for the MoH to monitor its progress and thus for monitoring of AusAID funded work.

The planned monitoring most relevant to AusAID is detailed:

Project level

121. Tracking progress of implementation will be provided via MoH's existing monthly ET meetings. It is anticipated that a common reporting format will be devised for all MoH projects. (See Project Managers' responsibilities above.)

122. At the completion of each project the Project Manager will prepare a brief completion report outlining what was achieved, expenditure, the impact it is likely to have on the health sector and lessons learnt.

Program level

123. At the more strategic program level, details on program progress and budget expenditure will be included in each three monthly report prepared by the MoH for the ERC. Ideally these reports will be a unified report on GOT, AusAID and other donor funding. Copies of the reports on both the AusAID funding and GoT funding will be provided to AusAID at the same time. By providing reports on both sources of funding both the GoT and AusAID will have a more complete picture of funding and of implementation, allowing each to assess overall effectiveness.

124. A six monthly report (Balanced Scorecard) will be prepared for each ET-Plus meeting that draws on the ERC reports and will include analysis of program progress and of challenges faced which may need ET-Plus advice or action. (See Annex 10.)

Joint six-monthly reviews

125. As outlined in Section 3 of this report, joint six-monthly reviews will be carried out to report on the Program. The six-monthly review process will also track the progress of health related AusAID financed regional programs that are being implemented in Tonga.

Independent assessment

126. In addition, an Independent Assessment of the sector's progress toward its goal, focussing on outcome and impact, will be made in 2010 or 2011, 2015 and 2019. It will also assess progress toward and further opportunities for aligning with directions under the Cairns Compact around donor harmonisation, alignment and use of government systems. The TOR and the selection of the personnel to carry out both these reviews should be agreed by consensus between the MoH, AusAID and any other relevant financing organisations. As GoT, with the World Health Organisation, intends

to repeat a STEPS survey[28] of adult risk factors in these years, the independent review should be combined with this survey.

AusAID oversight

127. Most data on the performance of the Program against its Objectives will come from information collected against the Balanced Scorecard and AusAID should not seek to duplicate that effort but rather support, where necessary, improvement in the quality of the data collection and analysis. AusAID will need to monitor some systems and processes to ensure that the information it requires for reporting to the Australian Parliament on the Program, is being collected and appropriately analysed.

AusAID Post roles

128. AusAID will have access to information from the project, program and review levels outlined above. Table 2 below summarises the sources of information AusAID will have access to and suggests the role which AusAID Post should consider taking in relation to each.

129. The AusAID Post is expected to need regular assistance from a health technical adviser. This adviser should be contracted to provide continuity of advice over at least three years. The adviser will have a key role in monitoring the program and supporting the Post in its management of the program, including attendance at the ET-Plus meetings whenever possible, and as the Team Leader of the six-monthly review.

[28] See http://www.who.int/chp/steps/riskfactor/en/index.html for detail

Table 2: AusAID Post roles in relation to program reporting and review processes

Level	Reports	Post Role	Review Process	Post Role
MoH Vision	Annual report against health indicators in Balanced Scorecard.	Review trends annually and consider if aid response needed.	Independent Assessment (combined with WHO STEPS) providing 3-yearly verification & analysis.	Understand trends & consider implications for aid program.
MoH Mission (Program Objectives)	Periodic reports against service delivery and management indicators in Balanced Scorecard.	Review trends six-monthly (quarterly in first two years) and consider if Program adjustments needed. Review data gaps.	Six-Monthly Reviews	Discuss report findings with team and GoT. Initiate or monitor necessary follow up action.
	Corporate Plan	Careful review and verification that links to SDP are sensible and that Plan meets AusAID policy, and focus expectations.		
	Balanced Scorecard.	Review to check that links to Corporate Plan and that AusAID information needs will be met.		
Program Performance	MoH Annual Management Plan.	Review alignment with Corporate plan and AMP.		
	MoH Annual Management Plan for Program (a subset of Annual Management Plan).	Check overall alignment with priorities agreed in Partnership for Development.		
	Papers for twice-yearly ET-Plus meetings.	Review Program funding trends and any problems with performance. Consider need to adjust Program implementation.		
	MoH Quarterly Reports on Program and GoT funding.	Review implementation rate, issues highlighted, MoH responses to problems arising and relevant links to GoT funding.		
Project Implementation	Project completion reports.	Routinely review, especially to consider lessons learnt and any implications.	Specific focus review of financial performance at project and program levels.	Ensure action in response to significant issues.
	Project progress reports.	Review only if quarterly reports suggest need. Consider if ET is taking needed action.		

SUSTAINABILITY ISSUES

Institutional sustainability

130. In Tonga the health sector is relatively homogenous. As previously noted, almost all curative services are delivered through MoH hospitals, health centres, clinics, pharmacies or dental services, supported by a very small number of private, church and NGO facilities. The Ministry of Education, Women's Affairs and Culture plays a role in preventative health education. Other agencies also have important roles in relation to issues including gender based violence, education, workplace safety, road safety, water supply and waste disposal.

131. With the creation of the Tonga Health Promotion Foundation and the availability of funding to address the growth in NCDs, the range of providers may expand. There is also a growing commitment to greater community consultation and direct community involvement in health and health related areas (e.g. through the Health Promoting Churches Partnership and community based health committees).

132. Tonga has limited resources available for all aspects of service delivery including health but a significant number of stakeholders. There is a need for strong sectoral coordination to ensure there is minimal overlap and duplication. Bringing AusAID funding within the context of MoH planning, delivery and monitoring will maximise the likelihood of well coordinated development of the sector. While this program design does not advocate a sector wide approach in the near future – and Tonga has explicitly not sought this – the proposed funding system will enable the GoT to gain much of the experience necessary for such an approach.

Organisational sustainability

133. The MoH has undergone considerable change over the last eight years with assistance from AusAID, the World Bank and other donors. The AusAID project in particular focussed on building planning and management capacity and the results are clearly evident. While these changes are likely to be sustainable they are threatened by the imminent departure of a number of key leaders and managers. In addition, the relatively small number of workers and the high level of migration and overseas study result in a relatively high level of staff absences and/or turnover. There will be an ongoing need to build organisational and individual capacity. Workforce planning will be a critical issue for the MoH to manage and develop skills and systems to manage.

134. A challenge for the new program will be to manage the level of support for further capacity building of management and planning functions so that resources are allocated to work directly on aspects that improve service delivery and address the growing NCD epidemic. There is also a challenge to ensure that health services in the outer islands are not ignored at the expense of those based on the main island.

Technical (clinical) sustainability

135. A key threat to clinical sustainability is the lack of doctors and nurse practitioners, skilled nurses and other health professionals such as

physiotherapists. While some of the reasons for the lack of skilled personnel are apparent (small employment pool, high levels of immigration, lack of qualified nurse training staff, limited budget) the complexity of the problem suggests that there will be other issues that need to be addressed to ensure there are sufficient well qualified staff trained, retained or attracted to work in Tonga to ensure the technical quality of the health care system. Thoroughly analysing the issues and developing an integrated strategy to address medical personnel issues is essential for sustainability. Any work in this area should integrate with the WHO regional strategy on human resources for health and the health workforce study being undertaken with support from the Australian Department of Health and Ageing. Because of the level of concern about this issue in the MoH, a draft TOR for analysis of this issue has been prepared (see Annex 11). These need to be finalised by the MoH.

136. In more general terms, while some capacity building was directed at clinical services (for example, in the early stages of the AusAID project and through the twinning arrangement with St John of God Hospital) there is still a great deal to be done for longer term sustainability.

Financial sustainability

137. The health budget faces strain despite its good structure – relative to many developing country health budgets (See Section 1). A significant proportion of the budget is directly affected by shifts in the Tonga currency exchange rate, making budget management very difficult in some years. For example, the MoH was forced to seek an additional allocation for 2007/08 from the Ministry of Finance to meet unanticipated rises in the cost of pharmaceuticals.

138. While the GoT continues to prioritise health in its Strategic Development Plans and in the budget (along with education), low economic growth has meant that there will continue to be only limited funds available into the future and with inflation, GoT funding in real terms declined despite a TOP3 million increase in the 08/09 budget.

139. As with other countries rapid rises in the costs of treatment, people's expectations of standards of treatment and changes in health profiles can be expected to place pressure on the health budget which growth in the Tonga economy will not match.

140. The funding provided by AusAID could sensibly be used in part to analyse these pressures and plan for an affordable health system, meeting the Partnership for Development target of Budget for preventative health care reaches 10% of total public health operational budget by 2015.

EQUITY

141. Health outcomes depend on many factors, only some of which are within the direct influence of health services. These include genetic, educational, cultural, geographic, environmental and economic factors.

142. In establishing systems to provide health services it is important to consider the different health needs and differences in access to health services which sub-populations in any country experience and to adjust

policies, infrastructure, and services to take account of these factors so that equity objectives are achieved. Factors that are obviously relevant in Tonga include: age, disability, remoteness, gender, income and social status.

143. To ensure these issues are all considered in the improvement of health systems including work supported by Australian funding, the Ministry of Health will develop a strategy to ensure the consideration of equity issues during planning, decision making, project implementation and reporting. The strategy will take account of GoT policies on these issues including the National Policy on Gender and Development.

144. The strategy will include specific requirements for these factors to be considered in project planning and reporting. The TOR of positions detailed in this framework design include responsibility for this strategy.

145. Annex 12 provides information on one of these factors, gender, and identifies some appropriate responses to be considered.

CHILD PROTECTION

146. To meet AusAID policy on child protection AusAID must ensure that all contracts managed by AusAID include appropriate clauses relating to personal behaviour and must make reference to AusAID's policies. AusAID should endeavour to discuss with GoT about including something similar to their contracts.

ENVIRONMENT

147. The impacts of the program on the environment are likely to be negligible. Based on AusAID's marker questions[29]:

- The Program is not in an environmentally sensitive location or sector.
- While there is some potential for a negative impact on the environment it should be positive e.g. through improvements in the MoH's capacity to manage medical waste or through improvements in its capacity manage water and waste disposal in the outer islands (water and waste on Tongatapu is managed by other agencies).
- It is not an explicit, or implicit, aim of the Program to have a positive environmental impact.
- The Program is not relevant to multilateral environment agreements.
- The Program should not have any significant negative environmental impact.

148. Notwithstanding this assessment it is proposed that the project planning template include a question aimed at identifying any potential environmental impacts (positive or negative). When a project is likely to have a negative impact further investigation will be required to identify ways to minimise impacts before the activity can proceed.

[29] AusAID, 2003. *Environmental Management Guide for Australia's Aid Program 2003* p.15

ANTI CORRUPTION

149. In 2007 Tonga was rated 175 out of 179 on Transparency International's Corruption's Perception Index (CPI). The reasons for the low rating appear to relate to the growing dissatisfaction of Tongan's with the absolute monarchy, lack of accountability and public participation and the need for greater respect for human rights[30]. The GoT has made statements that indicate an intention to shift toward more democratic government from 2010. The GoT is also establishing an Anti Corruption Commission with Australian assistance.

150. The decision of the GoT and AusAID to establish a procurement unit in the Ministry of Finance to manage procurement over TOP30,000 and support procurement policy, procedures and practice across government provides reassurance that procurement will be well monitored and appropriate corrective action initiated where necessary. This minimises the largest risk of inappropriate use of Australian funds.

151. Other means to monitor potential risks are: monthly monitoring by the MoH Executive management team of implementation including budget expenditure; six monthly reviews; and six monthly monitoring by the ET-Plus (which includes AusAID).

152. It is recommended that the Subsidiary Arrangement include a clause allowing for the audit of all Program expenditure at any time.

RISK MANAGEMENT

153. A risk management matrix is at Annex 13. No risks considered Extreme are identified but there are a number of risks categorised High. The primary risks relate to the MoH capacity to manage the Program and the MoH and MoF capacities to properly account for funds. The former is taken account of through specified technical assistance and funded staff positions. The second by an initial technical assessment which may identify support required. Both these risks will need to be monitored carefully especially in the first two years and the recommended six-monthly reviews will be critical to this monitoring. These reviews are likely to identify additional technical assistance requirements, based on Program experience. As noted previously, the limited implementation capacity of the MoH poses a potential risk to the Program. Strategies to manage this risk include the appointment of a full time Program Manager to provide support to Project Managers, the provision of additional resources when needed, monthly monitoring of progress by the MoH Executive management team and through technical assistance as needed.

154. Political reform is underway in Tonga with major changes anticipated from 2010. This may lead to change at the government level that could, in turn, result in some paralysis within the public sector while the change is underway. The Program is designed to be flexible and responsive to MoH capabilities and the ET-Plus will have the capacity to vary plans if needed.

[30] http://www.pacificmagazine.net/news/2007/12/09/corruption-in-tonga-is-right-to-information-the-way-forward

155. The AusAID Post will have an important role to play in monitoring a number of risks but should not be expected to substitute for the specific skills which the six-monthly reviews should bring.

Annex 1: Tonga Strategic Development Plan 8 – Summary of health focused and health related strategies

Tonga Strategic Development Plan 8 (SDP8) identifies a national vision, eight goals and ninety four strategies. Six strategies relate directly to health but many others are relevant, either because they affect determinants of health or because they affect the legislative and management environment within which the sector operates. The relevant goals and strategies are:

NATIONAL VISION

To create a society in which all Tongans enjoy higher living standards and a better quality of life through good governance, equitable and environmentally sustainable private sector led economic growth, improved education and health standards, and cultural development.

HEALTH FOCUSSED STRATEGIES

Goal 6: Improve health standards

- Continue to implement the National Strategy on Non-Communicable Diseases.
- Formulate standard protocols for the management of all communicable diseases and ensure adequate testing facilities and personnel are available to monitor the prevalence of communicable diseases.
- Develop a protocol and undertake a survey to establish the prevalence of sexually transmitted infections.
- Improve curative service delivery by completing the infrastructure redevelopment of Vaiola hospital.

Goal 4: Ensure equitable distribution of the benefits of growth

- Redirect the health budget toward primary and preventative services ensuring service provision at rural and regional health centres is protected.
- Review health sector financing with a view to introducing (1) users fees while ensuring exemption for the poor, and (2) voluntary health insurance schemes.

STRATEGIES AFFECTING DETERMINANTS OF HEALTH

Goal 5: Improve education standards

- Reform the current curriculum

Goal 8: Maintain social cohesion and cultural identity

- Provide financial assistance to NGOs offering support services for abused women and children.
- Implement the action plan of the National Policy on Gender and Development.

Goal 3: Promote sustained private sector led growth

- Implement and ensure sustainability of the Nuku'alofa Waste Management Project.
- Complete a full upgrade of the Nuku'alofa and Vuva'u water supply systems.

- Continue to support, and where feasible extend the geographic coverage of, community based management and development plans for inshore fisheries.
- Continue to improve the Ministry of Agriculture and Food, Forests and Fisheries' core services delivery to client groups throughout the country (farmers, district and village agriculture committees, growers' organisations, women's groups and NGOs).

Goal 7: Ensure environmental sustainability and disaster risk reduction

- Pass and implement the National Emergency Management Bill.
  Implement the Building Control and Standards Act.
  Improve the capability of communities to be more resilient to disasters.

STRATEGIES AFFECTING THE LEGISLATIVE AND ADMINISTRATIVE ENVIRONMENT OF THE MINISTRY OF HEALTH

Goal 5: Improve education standards

- Develop the Tonga National Qualifications Framework

Goal 1: Create a better governance environment

- Formulate and implement new legislation and regulations governing procurement.
- Continue implementation of PSC programs that facilitate improved performance in the public sector.
- Continue the process of strengthening public sector management.
- Strengthen the audit department of the Prime Minister's Office.
- Determine and gazette appropriate accounting and auditing standards, in order to improve transparency and accountability in financial reporting.

Annex 2: Annual cycle of planning, approval, implementation, reporting and review

Month	MoH Planning	Program planning	MoH Reporting	Program reporting	Review
January	Commence preparation of Annual Management Plans .		Quarterly report on GoT and Australian funds to ERC and ET-Plus members.	Quarterly request to AusAID for funding.	
February					
March	Finalise Annual Management Plans and budget and submit to MoF.[31]	Identify allocation of AusAID funding. Prioritise at division level. AusAID to provide estimates of annual cost of reviews.			
April			Quarterly report on GoT and Australian funds to ERC and ET-Plus members.	Quarterly request to AusAID for funding.	
May	Provide monitoring Report on Procurements				Six-monthly Review.
June	Budget Approval.	ET-Plus meeting to approve AusAID funding for Annual Management Plan and budget.			ET-Plus Meeting
July	Adjust Annual Management Plans to fit budget.		Quarterly report on GoT and Australian funds to ERC and ET-Plus members.	Quarterly request to AusAID for funding.	
August					
September					
October			Quarterly report on GoT and Australian funds to ERC and ET-Plus members.	Quarterly request to AusAID for funding.	
November	Provide monitoring Report on Procurements				Six-monthly Review.
December		ET-Plus meeting to review strategy and performance.			ET-Plus Meeting

Note: The ET will consider individual activity progress reports at a designated meeting each month.

[31] Once MoH has some experience in planning Program funding it would be best if planning for the GoT funding and Program funding was integrated as one process.

Annex 3: Key program positions – Draft terms of reference

PROGRAM MANAGER (MoH PRINCIPAL HEALTH PLANNING OFFICER)

Background
The *Tonga Health Systems – Australian Support,* funded by the Government of Australia, will support the health systems of Tonga. The Vision of the Ministry of Health is:

> *By 2020, we are the healthiest nation compared to our Pacific neighbours as judged by international standards and determinants.*

and its Mission is:

> *To support and improve the health of the nation by providing quality, effective and sustainable health services and being accountable for the health outcomes*.[32]

The three components of Australian Support are:

- Implementation, by the Ministry of Health, of strategies to improve systems which are constraining health service delivery in Tonga.
- Financing on a temporary basis, critical service delivery deficiencies, including staff, which Tonga cannot finance and/or source.
- Provision of support to the Ministry of Health to manage, utilise and report on AusAID funding.

The framework for the program is designed to:

- Support Tongan leadership and ownership of the program
- Utilise (and continue to support) the strengthened MoH systems
- Provide a long term commitment
- Enable planning, including longer term planning to be via MoH planning processes
- Provide the flexibility to respond to emerging issues
- Allow time and opportunities to build good relationships
- Plan for monitoring and evaluation from the beginning

The key elements of the program framework are:

- The program will be delivered over ten years (from 2009 to 2019)
- Delivery of the program will be through the Tonga Ministry of Health
- It will cover all health related funding by AusAID including medical personnel managed through PACTAM and a twinning arrangement with St John of God Hospital, Ballarat.
- Planning will be directly linked to Government of Tonga planning processes, particularly the Strategic Development Plan, national health related plans (such as those for non communicable diseases and HIV and AIDS), Tonga MoH Corporate Plans and Tonga MoH Annual Management Plans.
- The MOH Annual Management Plan will allocate AusAID funding.

[32] Ministry of Health, Kingdom of Tonga. Final Draft Corporate Plan 2008/09 – 2011/12 page 8.

- The budget for a Flexible Fund (to be managed by the MoH Executive team), will be allocated as part of the annual planning process (initially $250,000AUD). The Flexible Fund's purpose is to respond to emerging and urgent issues.
- Implementation will be carried out by MoH personnel or other health sector providers such as non government organisations.
- All human resource management (including recruitment), financial management and procurement will be carried out through MoH systems.
- Coordination and day to day management of the program will be the responsibility of the MoH Program Manager. This position will be supported by a full time, newly created position of Program Coordinator and the existing position of Health Project Officer. Administrative support will also be funded by Australia if needed.
- Monitoring and oversight responsibility will lie with:
    - a strategic oversight group comprised of the MoH Executive team, AusAID and two NGO representatives (ET-Plus)
    - implementation monitoring by the MoH Executive team
    - six monthly reviews by an independent review team
- Technical and resource support will be provided to:
    - Establish, manage and coordinate the program
    - Identify (and refine if needed) GoT and MoH systems to be used to deliver the program
    - Plan and implement projects
    - Meet resource needs generated by the program

The Program Manager is the MoH's nominated senior manager who is responsible for the day to day management of the program.

Duration
For the life of the program.

Reporting Relationships
The Program Manager reports to the Director of Health. The position will be supported in its program management role by the Program Coordinator and Health Project Officer.

Description
The Program Manager will work closely with the MoH Executive team to manage the program. During the establishment phase, the position will work with the Establishment Adviser to set up the management and coordination functions of the program. This will include:

- Finalisation of the MOU between GoT and GoA
- Creation of the ET-Plus including development of the terms of reference (TORs) and selection of the NGO representatives
- Finalisation of the TORs for the Program Coordinator position (a draft has been prepared during the design process)
- Selection and induction of the Program Coordinator
- Support to the review of the GoT accounting system and identification of the support needed for the finance system and its operation

- Oversight of the identification, quality assurance and documentation (if not already in existence) of relevant GoT finance, procurement and HR processes and systems
- Oversight of the development of the reporting arrangements (based on GoT reports)
- Oversight of the ongoing review of the balanced scorecard and the development of appropriate data gathering processes
- Oversight of the development of the Program component of the MOH's Annual Management Plan
- Oversight of the development of the gender strategy (with assistance from a Gender Advisor)
- Provision of advice to both the MoH and AusAID on all aspects of the operations of the program
- Ongoing day to day management and coordination functions will include:
- Development of a strategy to facilitate the consideration of equity[33] issues during planning, decision making, implementation and reporting.
- Supervision of the Program Coordinator and their work
- Oversight, monitoring and advice in relation to implementation
- Oversight of reporting to both GoT and AusAID
- Oversight of provision of secretariat services to the ET-Plus and ET for program related meetings

Qualifications and Experience

The Program Manager should possess:

- Considerable experience in the oversight of donor programs.
- A good understanding of implementation.
- A good knowledge of government finance, procurement and human resource systems.
- A good knowledge of the MoH and the health sector.
- Excellent interpersonal skills with commitment to, and experience in, consultative and facilitative approaches.

[33] These equity issues are likely to include dimensions of age, disability, remoteness, gender and income. While social status is a significant dimension of difference in Tonga it may be that sensitivities and respect mean that this is not a factor that can be included in analysis in the immediate future.

PROGRAM COORDINATOR - DRAFT TOR

Background

The *Tonga Health Systems – Australian Support,* funded by the Government of Australia, will support the health systems of Tonga. The Vision of the Ministry of Health is:

> *By 2020, we are the healthiest nation compared to our Pacific neighbours as judged by international standards and determinants.*

and its Mission is:

> *To support and improve the health of the nation by providing quality, effective and sustainable health services and being accountable for the health outcomes*.[34]

The three components of Australian Support are:

- Implementation, by the Ministry of Health, of strategies to improve systems which are constraining health service delivery in Tonga.
- Financing on a temporary basis, critical service delivery deficiencies, including staff, which Tonga cannot finance and/or source.
- Provision of support to the Ministry of Health to manage, utilise and report on AusAID funding.

The framework for the program is designed to:

- Support Tongan leadership and ownership of the program
- Utilise (and continue to support) the strengthened MoH systems
- Provide a long term commitment
- Enable planning, including longer term planning to be via MoH planning processes
- Provide the flexibility to respond to emerging issues
- Allow time and opportunities to build good relationships
- Plan for monitoring and evaluation from the beginning

The key elements of the program framework are:

- The program will be delivered over ten years (from 2009 to 2019)
- Delivery of the program will be through the Tonga Ministry of Health
- It will cover all health related funding by AusAID including medical personnel managed through PACTAM and a twinning arrangement with St John of God Hospital, Ballarat.
- Planning will be directly linked to Government of Tonga planning processes, particularly the Strategic Development Plan, national health related plans (such as those for non communicable diseases and HIV and AIDS), Tonga MoH Corporate Plans and Tonga MoH Annual Management Plans.
- The MOH Annual Management Plan will allocated AusAID funding.
- The budget for a Flexible Fund (to be managed by the MoH Executive team), will be allocated as part of the annual planning process (initially $250,000AUD). The Flexible Fund's purpose is to respond to emerging and urgent issues.

[34] Ministry of Health, Kingdom of Tonga. Final Draft Corporate Plan 2008/09 – 2011/12 page 8.

- Implementation will be carried out by MoH personnel or other health sector providers such as non government organizations.
- All human resource management (including recruitment), financial management and procurement will be carried out through MoH systems.
- Coordination and day to day management of the program will be the responsibility of the MoH Program Manager. This position will be supported by a full time, newly created position of Program Coordinator and the existing position of Health Project Officer. Administrative support will also be funded by Australia if needed.
- Monitoring and oversight responsibility will lie with:
    - a strategic oversight group comprised of the MoH Executive team, AusAID and two NGO representatives (ET-Plus)
    - implementation monitoring by the MoH Executive team
    - six monthly reviews by an independent review team
- Technical and resource support will be provided to:
    - Establish, manage and coordinate the program
    - Identify (and refine if needed) GoT and MoH systems to be used to deliver the program
    - Plan and implement work
    - Meet resource needs generated by the program

The Program Coordinator will support the Program Manager, the MoH's nominated senior manager responsible for the day to day management of the program.

Duration
For the life of the program.

Contracted by:
The Program Coordinator will be a MoH employee or be contracted by the MoH.

Reporting Relationships
The Program Coordinator will report to the MoH's Program Manager and will work closely with the MoH's Health Project Officer. The position may have administrative support if needed. Guidance will be provided by the Establishment Advisor, Gender Advisor and Monitoring and Evaluation Advisor.

Description
The Program Coordinator will work closely with the Program Manager and the MoH Executive team to manage the coordination and implementation of the program. During the establishment phase, the position will work with the Program Manager and Establishment Adviser to set up the management and coordination functions of the program. This will include:

- Creation of the ET-Plus including development of the terms of reference (TORs) and selection of the NGO representatives
- Identification, quality assurance and documentation (if not already in existence) of relevant GoT finance, procurement and HR processes and systems
- Development of the reporting arrangements (based on GoT reports)
- Development of the Program component of the MOH's Annual Management Plan

- Development of a strategy to facilitate the consideration of equity[35] issues during planning, decision making, project implementation and reporting.
- Ongoing day to day coordination functions will include:
- Support the Program Manager in relation to his/her program role
- Assistance to Project Managers to prepare project plans, implement projects and prepare reports
- Monitoring of the implementation of the Annual Management Plan and projects
- Preparation of reports to both GoT and AusAID
- Provision of secretariat services to the ET-Plus and ET including follow up actions

Qualifications and Experience

The Program Manager should possess:

- Considerable experience in the oversight of donor programs
- A good knowledge of government finance, procurement and human resource systems
- A good knowledge of the MoH and the health sector
- Excellent interpersonal skills with commitment to, and experience in, consultative and facilitative approaches

[35] These equity issues are likely to include dimensions of age, disability, remoteness, gender and income. While social status is a significant dimension of difference in Tonga it may be that sensitivities and respect mean that this is not a factor that can be included in analysis in the immediate future.

ESTABLISHMENT ADVISOR DRAFT TOR

Background

The *Tonga Health Systems – Australian Support,* funded by the Government of Australia, will support the health systems of Tonga. The Vision of the Ministry of Health is:

> *By 2020, we are the healthiest nation compared to our Pacific neighbours as judged by international standards and determinants.*

and its Mission is:

> *To support and improve the health of the nation by providing quality, effective and sustainable health services and being accountable for the health outcomes*.[36]

The three components of Australian Support are:

- Implementation, by the Ministry of Health, of strategies to improve systems which are constraining health service delivery in Tonga.
- Financing on a temporary basis, critical service delivery deficiencies, including staff, which Tonga cannot finance and/or source.
- Provision of support to the Ministry of Health to manage, utilise and report on AusAID funding.

The framework for the program is designed to:

- Support Tongan leadership and ownership of the program
- Utilise (and continue to support) the strengthened MoH systems
- Provide a long term commitment
- Enable planning, including longer term planning to be via MoH planning processes
- Provide the flexibility to respond to emerging issues
- Allow time and opportunities to build good relationships
- Plan for monitoring and evaluation from the beginning

The key elements of the program framework are:

- The program will be delivered over ten years (from 2009 to 2019)
- Delivery of the program will be through the Tonga Ministry of Health
- It will cover all health related funding by AusAID including medical personnel managed through PACTAM and a twinning arrangement with St John of God Hospital, Ballarat.
- Planning will be directly linked to Government of Tonga planning processes, particularly the Strategic Development Plan, national health related plans (such as those for non communicable diseases and HIV and AIDS), Tonga MoH Corporate Plans and Tonga MoH Annual Management Plans.
- The MOH Annual Management Plan will allocated AusAID funding.
- The budget for a Flexible Fund (to be managed by the MoH Executive team), will be allocated as part of the annual planning process (initially $250,000AUD). The Flexible Fund's purpose is to respond to emerging and urgent issues.

[36] Ministry of Health, Kingdom of Tonga. Final Draft Corporate Plan 2008/09 – 2011/12 page 8.

- Implementation will be carried out by MoH personnel or other health sector providers such as non government organizations.
- All human resource management (including recruitment), financial management and procurement will be carried out through MoH systems.
- Coordination and day to day management of the program will be the responsibility of the MoH Program Manager. This position will be supported by a full time, newly created position of Program Coordinator and the existing position of Health Project Officer. Administrative support will also be funded by Australia if needed.
- Monitoring and oversight responsibility will lie with:
    - a strategic oversight group comprised of the MoH Executive team, AusAID and two NGO representatives (ET-Plus)
    - implementation monitoring by the MoH Executive team
    - six monthly reviews by an independent review team
- Technical and resource support will be provided to:
    - Establish, manage and coordinate the program
    - Identify (and refine if needed) GoT and MoH systems to be used to deliver the program
    - Plan and implement work
    - Meet resource needs generated by the program

The Establishment Advisor's role is to assist both the MoH and AusAID to set up the program and ensure it is operating efficiently and effectively.

Duration
Two years.

Contracted by:
The Adviser will be contracted by the MoH.

Reporting Relationships
The advisor will work closely with both the MoH and AusAID. Day to day supervision will be provided by the Director of Health.

Description
The Establishment Advisor will work closely with both the MoH and AusAID to establish the program. This will include roles in:

- Finalisation of the Subsidiary Arrangement between GoT and GoA (a draft is available)
- Creation of the ET-Plus including development of the terms of reference (TORs) and selection of the NGO representatives
- Finalisation of the TORs for the MoH Program Manager and Program Coordinator positions (drafts are available)
- Selection and induction of the Program Coordinator
- Oversight of the review of the GoT accounting system and identification and oversight of the support needed for the finance system and its operation

- Identification, quality assurance and documentation (if not already in existence) of relevant GoT finance, procurement and HR processes and systems
- Identification and development of strategies to address capacity building needs relating to the operation of the program
- Development of the reporting arrangements (based on GoT reports) and support the ET to utilise the information provided in reports.
- Support to the ongoing review of the balanced scorecard and the development of appropriate data gathering processes
- Assistance with the development of the Program component of the MOH's Annual Management Plan
- Development of a strategy to facilitate the consideration of equity[37] issues during planning, decision making, project implementation and reporting.
- Provision of advice to both the MoH and AusAID on all aspects of the operations of the program

Qualifications and Experience

The Establishment Advisor will play both a strategic and operational role. Consequently they should possess:

- Considerable experience in the establishment and management of donor funded programs (preferably AusAID programs)
- An excellent knowledge of contemporary development theory, particularly that relating to program design and delivery
- A good knowledge of government finance, procurement and human resource systems
- A good knowledge of capacity development theory and practice
- Excellent interpersonal skills with commitment to, and experience in, consultative and facilitative approaches
- A good knowledge of the health sector

[37] These equity issues are likely to include dimensions of age, disability, remoteness, gender and income. While social status is a significant dimension of difference in Tonga it may be that sensitivities and respect mean that this is not a factor that can be included in analysis in the immediate future.

Annex 4: Six-monthly review – Draft terms of reference

These TOR should be finalised by consensus between the Ministry of Health and AusAID and any other relevant financing organisations. The SPC should be consulted given its role in supporting health work in Tonga financed under AusAID's Regional Program.

While proposed as six-monthly reviews it is expected that after five years annual reviews will be more appropriate. The budget is based on this assumption.

Background

1. AusAID is contributing to improvement of the Tonga health system. The major funding (about AUD2.0 million per year) is under the bilateral development assistance program through 'Tonga Health Systems – Australian Support' which is planned to operate from 2009 through to 2018. Under the bilateral program AusAID also funds scholarships to study at regional tertiary institutions some of which are used to train health workers, and some small health activities are funded through the Ha'apai Development Fund.

2. Australia provides other substantial assistance to the Tonga health sector, funded from AusAID's Pacific Regional Program and including:

- Funding for the prevention and control of non-communicable diseases, through the SPC and WHO and including funding for the Tonga Health Promotion Foundation via the SPC.
- Funding of the Tonga Family Health Association through the international Planned Parenthood Federation.
- Funding of HIV and other STI prevention, treatment and care programs through the SPC.
- Funding of Visiting Surgery Teams from AusAID's Pacific Regional Program.
- Funding of the Pacific Senior Health Officers Network and activities flowing from that network, initially focussed on health workforce planning, through the Australian Department of Health and Ageing.
- Funding of medical equipment management.
- Funding of Fiji School of Medicine.

3. 'Tonga Health Systems – Australian Support' supports the MoH's Mission of:

To support and improve the health of the nation by providing quality, effective and sustainable health services and being accountable for the health outcomes.

4. The agreed structure within which Australian support is provided is detailed in the *Tonga Health Systems – Australian Support. Framework Design 2009*.

5. The Program is managed by the Tonga Ministry of Health (MoH) and utilises Government of Tonga (GoT) and MoH systems for planning, implementation, procurement, accounting and reporting. AusAID, through its staff at the Australian High Commission, is represented on the body which approves the allocation of AusAID funds to the MoH Annual Management Plan, monitors and receives reports on implementation and expenditure. Under the Program assistance is available to:

- implement strategies to improve systems which are constraining health service delivery in Tonga;
- finance, on a temporary basis, critical service delivery deficiencies, including staff, which Tonga cannot finance and/or source temporarily address critical deficiencies in service delivery in the sector while longer term solutions to deficiencies are developed and implemented;
- build the MoH's capacity to manage, utilise and report on the Program; and
- finance joint monitoring and evaluation.

6. The Program is overseen at a strategic level by a committee consisting of the MoH Executive Team plus AusAID's Tonga based officer and two Tongan NGO representatives. This committee is termed ET-Plus.

7. To assist both AusAID and the GoT to monitor the operation and achievements of the Program and to make adjustments to its operation when needed, Six-Monthly Reviews are scheduled throughout the duration of the Program. These reviews will occur in a context of the Ministry's own monitoring framework for the sector – the Balanced Scorecard – and will reinforce that system.

8. In addition to the Six-Monthly Reviews, periodic assessments are planned of the state of health in Tonga and of the capacity of the sector. This review is described in detail in the *Tonga Health Systems – Australian Support. Framework Design 2009*..

Purpose

9. The purpose of the Six-Monthly Reviews is to provide the GoT and AusAID with information about the implementation of AusAID and GoT funded support to the health sector in order to facilitate decisions on improvements to the operation and management of the sector and improvements to the Australian support.

Objectives

10. The Objectives of the Six-Monthly Reviews are:

a. Assess the operation of the Program and make recommendations for improvements in the design and operation of the Program as appropriate.

b. Assess the influence of the Program on the capacity of the sector and draw conclusions.

c. Assess the contribution and effectiveness of the total body of AusAID funded support to the Tonga health sector and make recommendations as appropriate.

    - (This could be expanded to include funding by other donors and institutions if the GoT wishes.)

Scope

11. Each Review will not cover all aspects of the TOR but over time will address all the issues at appropriate intervals.

12. Specific TOR will be developed for each Six-Monthly Review. These will be developed three months before each Review by the Team Leader in consultation with the Director of Health, the First Secretary, AusAID and other Team members.

13. A three-year plan will be developed during the first year proposing the focus over time of the Six-Monthly Reviews, and this will be updated during each review.

14. It is intended that the Team members will have a long term involvement in the Team but the composition of the Team for each Review may be adjusted in response to the focus of a particular Review.

15. The reviews will assess the implementation of the strategy to facilitate the consideration of equity[38] issues during planning, decision making, project implementation and reporting.

Reporting

16. The Review Team will work to the MoH Executive Management Team and the First Secretary, AusAID in Nuku'alofa.

Outputs

17. The outputs of each Review will be:

a. A report which addresses the specific TOR for that Review and which:

- In relation to the Program:
  - Summarises progress in operating the Program.
  - Summarises issues brought to the attention of, or identified by the Team.
  - Analyses significant issues.
  - Advises on any adjustments needed to the design or operation of the Program.
  - Assesses compliance by AusAID and GoT with undertakings under the Program MOU.
- In relation to other elements of the AusAID support to the sector:
  - Summarises issues brought to the attention of, or identified by the Team.
  - Analyses significant issues.
- Recommends action by the MoH, AusAID or others.
  - Recommendations should be specific and, for each recommendation should identify the individual or organisation which should take responsibility for making decisions on the recommendation and for taking action on the recommendation.
- Summarises the decisions taken on recommendations in all previous reports and the action taken to implement endorsed recommendations, and highlights past recommendations of importance on which no decision and/or action has been taken.
- Updates the three-year plan for Six-Monthly Reviews and proposes the focus for the next Review.
- Recommends the dates for the next Review.

b. A one to two hour presentation to the ET-Plus, highlighting key findings and recommendations.

18. The outputs of the Six-Monthly Reviews over time will be:

[38] These equity issues are likely to include dimensions of age, disability, remoteness, gender and income. While social status is a significant dimension of difference in Tonga it may be that sensitivities and respect mean that this is not a factor that can be included in analysis in the immediate future.

a. A series of reports which enable a progressive assessment of:

- Progress in the utilisation and operation of the Program.
- Changes in the MoH's capacity to manage the Program.
- Achievements in addressing capacity constraints in the sector.

b. Documentation and analysis of lessons learnt.

Documentation

19. Each Review report will normally be no more than ten pages. In exceptional circumstances this limit may be exceeded.

20. Reports will be presented in draft form to the ET-Plus during the Team visit and will be finalised and distributed within seven days of the Team visit.

Composition of the Six-Monthly Review Team

21. The Review team will be contracted by AusAID.

22. The Team will be comprised of:

- A Team leader who will have technical health skills.
- A GoT nominee. This person will have knowledge of the health sector, an understanding of capacity development and will be independent of the Ministry of Health. (AusAID will contract this person to participate on the Team if necessary.)
- A capacity development specialist.
- A public financial accounting and procurement specialist. This person may not be needed for every Review once a level of assurance has been achieved about fiduciary risks, based on experience in operating the Program. For the first two years this person should be one of the procurement advisers which AusAID is funding in the Ministry of Finance.

Annex 5: Cost assumptions for budget

All costs in AUD

Return Airfare Australia to Tonga	3,000
Average daily consultant rate (High cost)	1,700
Average daily consultant rate (Low cost)	1,100
Per Diem rate for short term	140
Accommodation rate for short term	150
Average annual cost of MoH contracted personnel	20,000
PACTAM surgeon Cost per person per year	220,000
Twinning Annual Cost	60,000
Establishment Adviser International Annual Cost	250,000
Program Coordinator Annual Cost	30,000

	Days per year	Number of high cost personnel	Number of low cost personnel	Number of return trips per year	Calculated personnel cost	Calculated travel cost	Calculated accommodation & per diem cost	Printing/ publication Costs	Calculated Total cost
Initial finance review	21	1	1	1	58,800	6,000	12,180	200	77,180
Six-Monthly Review	11	2	1	2	49,500	18,000	9,570	100	77,170
Independent Assessment	16	2	1	1	72,000	9,000	13,920	1000	95,920
Audit	7	0	2	0	15,400	-	4,060	500	19,960
AusAID Completion Reporting and Independent Completion Report									200000

Annex 6: Draft TOR – Procurement Advisers

DRAFT TERMS OF REFERENCE – ESTABLISHMENT AND OPERATION OF INTERIM PROCUREMENT IMPLEMENTATION UNIT (IPIU)
for AusAID assistance to the Kingdom of Tonga

1. Background

1.1 Country Specific

1.1.1 In December 2008 Consultants undertook, on behalf of AusAID, an assessment of procurement in Tonga, with a particular focus on those sectors where AusAID was developing new programs. This assessment identified that the risks of routing procurement under these programs via Government of Tonga systems were significant. It further recommended that until a program of procurement reform, capacity strengthening and building could be instituted, and benefits seen to flow from this, an alternative interim procurement implementation strategy was necessary. These recommendations were validated in principle, and then modified, during a Procurement Policy Group mission to Tonga in February 2009, following which these ToRs were developed.

1.2 Program Specific

1.2.1 AusAID is presently planning new programs in a number of sectors, many in conjunction with NZAID. Further details of each of these programs are provided at Annex A, as follows:

Annex A1: Ministry of Health – Health Sector Program

Annex A2: Tonga Police Force – Tonga Police Development Program

Annex A3: Ministry of Training, Employment, Youth and Sports – Technical and Vocational Education and Training Program (TVET)

Annex A4: Ministry of Finance and Planning – Tonga Community Development Program

Annex A5: Ministry of Education, Women and Culture – Tonga Education Support Program

Annex A6: Support to the Anti-Corruption Commission

Annex A7: Customs – Customs Improvement Program

Annex A8: Constitutional and Electoral Reform Commission – Political Reform Program

1.2.2 In addition to these major programs there are also two existing commitments to support the Anti-Corruption Commission of Tonga, and Tonga Customs, while we have recently received a request to fund some political reform activities with the Prime Minister's Office.

1.2.3 Pending revised procurement arrangements that are satisfactory to AusAID all procurements above TOP 30,000 required under these and all other AusAID programs to Tonga is to be undertaken by an Interim Procurement Implementation Unit (IPIU).

2. Contract Purpose

2.1 The purpose of the contract is to establish an Interim Procurement Implementation Unit (IPIU) and operate this for an initial period of one year. It is possible that the operating period may extend beyond one year. In such event, AusAID will have the option similarly to extend the Services Order of the PASP Agent appointed to establish and operate the IPIU.

3. Approach

3.1 Location and Reporting Lines

3.1.1 The IPIU will be co-located within the existing Procurement Division of the Ministry of Finance and National Planning (MoFP). This physical co-location notwithstanding, the IPIU will be independent and have a reporting line to Debbie Reschke, First Secretary (AusAID) at the Australian High Commission, Nuku'alofa for all day to day operational and program implementation matters. The First Secretary can, as necessary, draw on the Procurement Policy Group in Canberra for support on professional procurement matters raised by the IPIU.

3.2 Establishment

3.2.1 Initially the IPIU will consist of one International Procurement Practitioner (IPP) supported by one Local Procurement Practitioner (LPP), expanding further if required.

3.2.2 The IPP will be responsible, on behalf of the PASP Agent, for recruiting the LPP as well as any other additional local staff that might subsequently be agreed by AusAID.

3.2.3 The PASP Agent will be responsible for employing all staff, international and local, AusAID agrees should comprise the IPIU.

3.3 Role

3.3.1 The role of the IPIU will be to:

(a) Carry out all procurements above TOP 30,000 on all AusAID programs.

(b) Provide roving contract management support and mentoring to GoT ministries, departments and agencies; the latter will sign, issue and manage contracts under the direction of the IPIU.

(c) Undertake procurement audits for a sample of procurements conducted by ministries, departments and agencies themselves under the TOP 30,000 threshold.

(d) As required by AusAID, and with the support of the PASP Agent appointed to establish and operate the IPIU, provide mobilisation, demobilisation, logistics and related support to advisers recruited under the various programs.

(e) Undertake additional procurement activities as directed by AusAID.

3.3.2 In further regard to the roles outlined in Sections 3.3.1 (a) to (d) above:

(a) In conducting all procurements above TOP 30,000 while the IPIU will have independence in its activities it also will work in close collaboration with the end-user ministries, departments and agencies on whose behalf procurements are being carried out. The IPIU therefore will consult with end-users as necessary in the execution of its responsibilities. One obvious area for collaboration is in the finalisation of Technical Specifications and Terms of Reference, which it is expected will be achieved in co-operation with end-users.

(b) The provision of roving contract management support and mentoring is a particularly important role since the ministries, departments and agencies are aware of their shortcomings in this area and have stated openly that they would benefit from training and guidance in effective contract management and administration. Further, the importance of this activity is underlined by the following:

(i) It is second only in importance to the IPIU's executive procurement responsibilities.

(ii) Although ministries, departments and agencies will be charged with managing the contracts, the IPIU will remain involved in an oversight and mentoring capacity in order to ensure successful outcomes to all contracts.

(iii) The IPIU will seek every opportunity to grow procurement experience, skills and confidence within GoT ministries, departments and agencies. It also will recommend to AusAID any expansion of this into any formal training that it might consider beneficial.

(c) When conducting procurement audits, in addition to scrutinising procurements in comparison with good international practices and checking for incidents of collusion and/or corruption, the IPIU also will check to ensure that procurements are not being divided into packages that fall below the TOP 30,000 threshold.

(d) The additional procurement activities that may be required by AusAID pursuant to Section 3.3.1 (d) above may include the provision of professional advice in areas of public procurement reform that presently are being considered by AusAID for support.

3.4 Procurement

3.4.1 All procurements will be conducted by the IPIU in accordance with the principles of the CPGs and good international practice. The IPIU will develop and operate an appropriate procurement system and procedures. It is free to use as much, or as little, of the existing GoT procurement framework as it wishes, consistent with complying with the principles of the CPGs and good international practice.

Note:

There are two exceptions to the requirement for procurement to comply with the principles of the CPGs, as follows:

(a) Sections 4.1, 4.3 and 4.4 of the CPGs cover the need for procurement, and especially bid evaluation, to be undertaken on a whole-of-life costing basis. This requirement need only be complied with in the case of very high value procurements, particularly where these are of a complex nature. It is not applicable for other procurements that do not fall into the very high value/complex category.

(b) Section 5.6 of the CPGs states that the Government is committed to sourcing at least 10 per cent of purchases by value from SMEs. This requirement also is not applicable.

3.4.2 A revised GoT regulatory framework for procurement is under consideration. Once this has been passed by Cabinet it is possible, if it compares favourably with the requirements of the CPGs and good international practice, that it might provide a framework that could be utilised more extensively by the IPIU. The IPIU will be expected to provide appropriate recommendations to AusAID in this regard. AusAID in turn will provide comments on the recommendations including approval, or otherwise, of them.

3.5 Immediate Priorities

The first activities of the IPIU upon mobilisation of the IPP will be to:

3.5.1 Recruit the LPP. Approval of AusAID Nuku'alofa and Canberra will be required for the proposed appointee.

3.5.2 Procure the office equipment and vehicle required for the assignment.

3.5.3 Prepare a simple Procurement Manual, detailing the practices and documentation that the IPIU will use in conducting procurement.

3.6 Reports

3.6.1 The IPIU will submit monthly reports as follows:

(a) One electronic copy to: Debbie Reschke – First Secretary (AusAID), Australian High Commission, Nuku'alofa; email address: debbie.reschke@dfat.gov.au

(b) 5 hard copies to Debbie Reschke, First Secretary (AusAID), Australian High Commission, Nuku'alofa.

3.6.2 Monthly reports will include:

(a) Details of the progress of the IPIU, since its establishment, against these ToRs,

(b) Details of any difficulties encountered in establishing and operating the IPIU; in the event any such difficulties do arise, these should be brought to the attention of AusAID at the earliest possible time, together with proposals for resolving them,

(c) Information about all procurements executed by the IPIU during (i) the reporting month, and (ii) since the establishment of the IPIU. Areas of interest to be considered for inclusion in this section of the report include:

- Procurement plans prepared and/or reviewed and/or finalised
- Technical Specifications and Terms of Reference prepared and/or reviewed and/or finalised
- Prequalification/shortlisting notices (advertisements) published, and the media used for these
- Prequalification/shortlisting reports completed, including shortlists
- Tender notices (advertisements) published, and the media used for these
- Tenders received
- Tender openings conducted
- Tender evaluation reports completed
- Contract negotiations undertaken (normally only applicable for services)
- Protests and/or complaints handled during the tender process
- Contracts issued
- Contract addenda issued
- Contract completions
- Incidences of contractual damages or other, similar provisions being implemented
- The numbers and values of procurements falling in the above categories

(d) A section describing the IPIU's roving contract management support and mentoring activities with GoT ministries, departments and agencies. In particular, information will be included as to the progress, or otherwise, achieved by these GoT organs and ongoing assessments will be provided of their procurement capabilities and capacities.

(e) Details of procurement audits undertaken, especially with regard to the numbers of these, the values of procurements audited, and the findings of the audits; particular

reference will be included to any incidences noted of collusive, corrupt and/or sub-standard procurement.

3.6.3 Additionally, an Annual Report will be issued at the end of December 2009, as well as at the end of any subsequent calendar years in which the IPIU remains operational. The Annual Report will cover the areas outlined in Sections 3.6.1 and 3.6.2 above, and also include any recommendations for additional activities above and beyond its initial ToRs, to be carried out during the following year. Any such recommendations are to be fully costed.

3.6.4 Upon conclusion of the mandate of the IPIU a Final Report will be issued. This will encompass a summary of the issues outlined in Sections 3.6.1 to 3.6.3 above, and additionally include a section describing lessons learned during the operation of the IPIU.

3.6.5 All reports, as well as all communications and correspondence connected with the establishment and operation of the IPIU, shall be in the English language.

4. Logistics

4.1 GoT will provide the IPIU with office accommodation and furniture, and telecommunications facilities.

4.2 Additionally the IPIU will be equipped with the following equipment:

4.2.1 Desktop computers – 2 (to be networked)

4.2.2 Uninterruptible power supplies for the computers – 2

4.2.3 Hi volume laser jet printer (black and white) – 1

4.2.4 Low volume ink jet printer (colour) – 1

4.2.5 Hi volume photocopier (black and white) -1

4.2.6 Shredder – 1

4.2.7 Saloon car - 1

This equipment will be financed by AusAID and, as noted in Section 3.5.2 above, it will be an early responsibility of the IPIU to procure it.

4.3 The PASP Agent is responsible for arranging the air travel, interim local transport and hotel/residential accommodation for its team.

5. Information Relevant to Proposal Preparation

5.1 Section 5 contains information and instructions for the PASP Agents at the proposal preparation stage, to assist them in preparing proposals that are fully responsive to the ToRs. It will not apply to the implementation phase, and will be deleted from the ToRs that form part of the Services Order issued to the successful PASP Agent.

5.2 Proposal Response

5.2.1 In responding to these Terms of Reference (ToRs) PASP Agents are required to provide detailed presentations in the following areas:

(a) Any comments on the ToRs, and/or suggestions for improving them.

(b) The approach and methodology they will adopt.

(c) The expertise they will mobilise in carrying out the work.

5.2.2 In addition to the content of proposals implied by Section 5.2.1 above PASP Agents are requested to ensure conciseness of approach in their presentations. General, vague or other unfocused text is neither required nor welcomed. Similarly, marketing passages espousing the virtues of the firm, its strengths and track record, are not needed.

5.2.3 Instead, AusAID would like to receive proposals that are concise, focused, to the point, and which:

(a) address the issues described in these Terms of Reference,

(b) respond to them with clear and appropriate proposals,

(c) offer precise approaches and methodologies for the task,

(d) offer excellent skilled professional staff for the assignment, and

(e) provide clear evidence of the practical experience of the specialist(s) proposed.

5.3 Approach and Methodology

5.3.1 Ground that AusAID will expect to see covered in the areas indicated in Section 5.2.1 above includes:

(a) Outline any suggested refinements to the ToRs. PASP Agents should not be afraid to propose suggested improvements to the ToRs. Equally, they should not feel that this is an essential requirement, and that their proposals will be evaluated less favourably if they do not do so. AusAID is interested in professional, thoughtful responses, and has no agenda other than this.

(b) How, precisely, will the PASP Agents approach the task of establishing and operating the IPIU?

(c) How will the PASP Agents facilitate the full participation of the MoFP Procurement Division, the line ministries and other organs of GoT in the establishment and operation of the IPIU, and thus ensure joint ownership of the process and the outcomes?

5.4 Expertise

5.4.1 The expertise to be employed by the PASP Agents in establishing and operating the IPIU should be defined in the PASP Agents' proposal. One International Procurement Practitioner (IPP) is required initially, to be supplemented by a locally recruited Local Procurement Practitioner (LPP).

5.4.2 PASP Agents are free to propose more than one IPP as alternative candidates to establish the IPIU. In the event they so do, they should clearly indicate their recommended order of preference, as well as confirm that all candidates are available and willing to undertake the assignment for an initial period of not less than one year. This notwithstanding, only one IPP will be selected, and the specialist so selected shall be entirely at the discretion of AusAID.

5.4.3 In presenting the proposed candidate(s), and the CV(s) for him/her/them, PASP Agents are required to demonstrate that the specialist(s) proposed has/have substantial relevant international procurement experience, including direct, practical experience of executing complex international procurement programs –

any specialist proposed that only has theoretical knowledge will not be favourably viewed. Experience in establishing and managing procurement units similar to the IPIU, as well as of leading and mentoring teams of national staff, also will be valued. Further, experience in developing country environments is essential.

5.5 Timetable

5.5.1 A timetable for commencing the assignment must be provided. In this regard, PASP Agents should note that time is of the essence. AusAID wishes to have the IPIU established and operating at the earliest possible opportunity.

5.6 Results

5.6.1 Proposals must be clear in describing accurately what results will be achieved.

5.7 Logistics

5.7.1 Office space, office furniture and telecommunications facilities will be provided to the IPIU by the Government of Tonga.

5.7.2 AusAID will finance an initial list of equipment for the establishment of the IPIU, as indicated in Section 4.2 of these ToRs. The IPIU will be responsible for procuring this equipment.

5.7.3 The PASP Agent will be responsible for arranging and paying for airfares, interim local transport, hotel/residential accommodation and per diems/subsistence for its IPP. The costs of these items should be included in the PASP Agents' reimbursable expenses, together with an estimate of the first year office running costs for those expenses that will not be met by the GoT.

Annex A

Specific Programs

1 HEALTH

The Health Sector will benefit in the amount of AUD 2 million per annum. The focus of the program will be on improving service delivery, and will particularly address areas such as non-communicable diseases, workforce management, improving capacity of health clinics and meeting urgent gaps in existing service delivery (e.g. surgeons).

The following list of procurement is indicative of the types of activities that could take place through this program:

Objects of Procurement	Type of Procurement Envisaged (ie Goods, Works and/or Services)	Expected Value of Procurement – AUD
Technical Assistance/Program Implementation personnel: Program Coordinator, Finance Officer, Procurement Officer, medical professionals (for in-line positions) e.g. surgeons (currently recruited through PACTAM – option to select/recruit by MoH)	Services	1 million per annum
Training: trainers, travel, TA	Services	250,000 per annum
Hospital Equipment	Goods	250,000 per annum
Infrastructure: upgrade of existing health clinics, building of new health clinics and staff quarters	Works	250,000 per annum
Public Awareness: media campaigns, radio/TV productions, newspaper ads, publications	Services	50,000 per annum

(Annexes for other Specific Programs not included.)

Annex 7: Establishing the Program – actions required and responsibilities – implementation schedule

AusAID responsibilities	GoT responsibilities	Target completion date
Finalise TOR for long term Establishment Adviser.	Comment on and approve TORs	30 Oct 2009
Prepare and sign SA	Review and sign SA	30 Oct 2009
	Adjust job description of Head of Planning and Information to incorporate Program Manager role.	30 Oct 2009
Comment on and approve TOR	Finalise TOR for Program Coordinator	30 Oct 2009
Participate in selection.	Recruit Program Coordinator	30 Nov 2009
Participate in selection.	Recruit and contract long term Establishment adviser.	30 Nov 2009 To commence by Feb 2010.
Finalise TOR for 6-monthly review team	Comment on and approve TOR	30 Nov 2009
Approve relevant contract clauses	Prepare contract wording for personnel and contracted work to include clauses as required by AusAID's child protection policy.	28 Feb 2010
Contract team to undertake 6-monthly reviews of the facility.	Nominate GOT representative independent of health sector management.	28 Feb 2010
Comment from perspective of AusAID policy requirements.	Prepare strategy to ensure the consideration of equity issues during planning, decision making, activity implementation and activity reporting.	30 Apr 2010
Prepare Independent Assessment TOR	Comment on and approve TOR	30 Jun 2010
Arrange (in cooperation with GOT) for other donors to participate in the Independent Assessment and for coordination with WHO STEPS Survey	Facilitate other donor participation.	31 Jul 2010

Lead organisation highlighted.

Annex 8: Ministry of Health – Balanced Scorecard for 2008/09 – 2011/12

KRA 1: Build capability and effectiveness in preventive health services to fight the NCD epidemic and communicable diseases.
Goal: We will fight the NCD epidemic and communicable diseases using effective preventative health measures, being good role models and developing public participation and commitment.

Strategies	Targets	KPIs	Responsible Manager
1. Secure funding to implement all existing NCD plans/programmes with emphasis on the priority areas identified in the "National Strategic Plan to Control NCD in Tonga".	• All NCD plans/programmes to be funded by July 2010 • A strategic plan that focuses on the prevention of adverse effects of alcohol and violence is developed and approved by December 2009	• % of plans/programmes funded by July 2010 • % of targets in the NCD strategic plan achieved. • Strategic plan on the prevention of injury and violence as well as adverse effects of alcohol is developed and implemented by December 2009.	
2. Expand the screening programme for risk behaviours conducive to developing NCDs with emphasis on children and other high risk population.	• Screening programme covers the children and high risk population by the end of 2012	• Increase in the number of schools that utilise nutritional strategies to improve children's diet • Percentage of children and high risk population screened	
3. Improve the effectiveness of stakeholder collaboration through greater contribution and commitment.	• 20% increase in completion of joint initiatives by July 2010. • Existing laws enforced by 2011	• Number of joint initiatives completed • Number of existing laws enforced by target date	
4. Lobby government to introduce legislation to combat the NCD epidemic.	• New legislation to be implemented by July 2011	• New legislation enacted	
5. Review existing preventative health programmes and implement recommendations to improve their effectiveness.	• Review to be completed by December 2009. • Endorsed recommendations to be implemented by June 2011	• Activity completion report • Number of recommendations implemented by due date	

6. Develop and implement voluntary health programmes for all MoH personnel	• Baseline data to be obtained by December 2009 • Programmes to be developed and implementation to commence by July 2010	• Baseline date obtained by target date • Programme developed and implementation commenced by target date	
7. Involve the community in preventative health activities	• Community counterparts to be identified and trained by December 2009 • Counterparts competently undertaking activities by July 2010 • 20% increase in public participation by December 2011	• Number of counterparts identified and trained • Activities undertaken by community counterparts • Public participation in community activities	
8. Strengthen capacity to respond to infectious diseases.	• Mitigation, preparedness and response plans to potential pandemic influenza threat reviewed and tested on a regular basis from December 2009. • Finalize and implement the National Strategic Plan for HIV/AIDS/STI 2009-2013. • Strengthen National DOTS strategy • Continuous procurement of anti-TB drug	• % of new public health staff trained on principles of Infection Control • Reviewed response plan to pandemic influenza is endorsed by the NHDC and National Emergency Management Committee by December 2009. • Incidence of HIV / AIDS / STI per annum • Detection of new sputum smear positive TB cases • Cure rate of TB cases	

9. Strengthen immunization and reproductive health services	• Maintain >95% immunization coverage • Maintain at <10 infant mortality rate per 1000 live births through Post natal care and follow up of children until 5 years old • Maintain at ≤78 maternal mortality rate through strengthening Antenatal services to ensure Mothers plan for hospital delivery • Maintain at ≤15 perinatal mortality rate by 1000 live births through strengthening Antenatal services in Clinics other than Vaiola	• Population coverage EPI • Infant Mortality Rate per 1000 live births • Maternal mortality rate • Perinatal Mortality Rate by 1000 live births	

KRA 2: Improve the efficiency and effectiveness of curative health service delivery **Goal**: We will deliver the range and quality of services to meet the basic health requirements			
Strategies	**Targets**	**KPIs**	**Responsible Manager**
10. Undertake a review of existing services through analysis and research and expand services to ensure basic health requirements are met	• Review to be completed by June 2009 • Recommendations to be based on Best Practice • Endorsed recommendations to be implemented by July 2011	• Activity completion report • % of recommendations that are based on Best practice • % services provided compared to services required	
11. All managers to attend and graduate from the "Health managers making a difference" management development programme	• All existing managers who have not attended the programme to attend by December 2010 • All new managers to attend the programme within 6 months of appointment	• % of managers who have "graduated" from the programme.	
12. Develop and implement succession planning for all key positions	• Develop Succession Plan by December 2009 • Commence implementation of the plan by January 2010	• Succession Plan developed by target date • Scholarship requests, postings, and training opportunity decisions made using Succession Plan from January 2010	
13. Update and implement the Training Needs Plan for all key posts	• Update the Training Needs Plan annually by March each year • Implement the Training Needs Plan annually	• Training Needs Plan updated annually by target date • % of Training Needs met	
14. Reduce waiting times in the Outpatient Department	• Obtain baseline data by March 2009 • Achieve current benchmark waiting times by December 2009 • Increase the use of community health centres clinics by 50% by July 2010	• Baseline data obtained • % of people attended to within the recommended benchmark waiting time in place. • % increase in use of health centres and clinics	
15. Disaster Management Plan to be practised on a biannual basis	• Practice to be carried out and activity report completed on a biannual basis with effect from January 2009 • Endorsed recommendations to be implemented by the agreed date	• Activity report tabled before NHDC on a biannual basis from January 2009 • % of endorsed recommendations implemented by due date	

16. Standard Treatment Guidelines to be reviewed and implementation fully completed	• Review to be completed by December 2009 • Reviewed Standard Treatment Guidelines to be fully implemented by June 2010	• Activity report completed by due date • % increase in the utilization of health centres by the public • Unplanned readmission rate per month is <5% • % reduction in inappropriate use of antibiotic • % increase in terminal cases that have access to palliative care	
17. Expand clinical services to meet the needs of vulnerable groups of people such as the physically and mentally disabled in the community.	• Management plan for people suffering from chronic mental and physical illnesses/disorders in the community is in Section's AMP and is supported appropriately by July 2010	• %of targets achieved according to plan	
18. Strengthen the maintenance programmes for hospital equipment.	• Maintenance schedules for all essential equipment are monitored on a monthly basis • Maintenance contracts for essential equipment are established where needed by July 2009 • Staff training needs and risk analysis done on an annual basis from June 2009 • Budget provided for maintenance programme from July 2009	• % of essential equipment operational • Number of staff trained to maintain equipment • Funds allocated for maintenance of equipment in MoH budget	
19. Strengthen risk management capability of all clinical sections.	• All sections to identify, analyse and evaluate all risks relevant to their specific section and develop risk management strategies by June 2009 • At least 80% of feasible risk management strategies are supported by the MoH per annum	• % of AMPs including a section specifically for identification of risk and how they will be managed • % of feasible risk management strategies supported by the MoH	
20. Strengthen capacity to respond to infectious diseases.	• Secondary prevention strategies for rheumatic heart disease follow a well established "rheumatic heart disease control plan" by July 2009	• "Rheumatic heart disease control plan" drafted and endorsed by the NHDC by June 2009 and implemented by July 2009.	

21. The quality of services in each Section is monitored / evaluated on a regular basis and corrective action is taken to address them where relevant.	• Targets in each section's AMP are met (in accordance with Balanced Scorecard Indicators) • DMF in children for dentistry is 2 at 12 years old • Maternal mortality rate is <74/100,000 live births • Infant mortality rate is < 12/1000 live births • Performance of laboratory services is in accordance with Internal and External Quality assurance programmes • (Turnaround time for services are according to each service's acceptable benchmark) Obtain acceptable benchmark for each service by July 2009 • Corrective actions supported and under-taken according to recommendations of the Monitoring and Evaluation exercises	• % of targets achieved per quarter • DMF in children • Maternal mortality rate • Infant mortality rate • Performance of laboratory services • Turnaround time for services • % corrective actions supported and under-taken according to recommendations of the Monitoring and Evaluation exercises	

KRA 3: Provision of Services in the Outer Island Districts & Community Health Centres **Goal**: We will provide appropriate services to all the Outer Island Districts and community health centres through effective resourcing. Specialized services will be provided through regular programmed visits.			
Strategies	**Targets**	**KPIs**	**Responsible Manager**
22. Establish a Single Point of Contact (SPOC) in the MoH and develop and implement a communication strategy for each of the outer island districts and community health centres.	• SPOC to be established by January 2009 • Communication Strategy to be developed and implemented by June 2009	• SPOC established and responsibilities included in their Job Description and Performance Agreement • Communication Strategy implemented	
23. Single point of contacts and senior managers to visit the outer island districts and community health centres on a biannual basis.	• Programme of visits developed and implementation commenced by January 2009 • Guideline to evaluate the impact of visits established by July 2009 and used to monitor all visits	• Programme of scheduled visits • Number of scheduled visits undertaken compared to programmed visits • Guideline developed • Visits and their impact reported in quarterly report	
24. Develop and implement succession planning for all key positions in the outer island districts and community health centres	• Develop Succession Plans by December 2009 • Commence implementation of plans by January 2010	• Succession Plans endorsed by NHDC • Scholarship requests, postings, and training opportunity decision made using Succession Plan	
25. Develop and implement a job rotation plan for staffing the outer island districts	• Job rotation plan developed for all relevant staff by June 2011 • Implementation commenced from July 2011	• Job rotation plan in place for each outer island district • Number of staff postings made using job rotation plan	
26. Update and implement the Training Needs Plan for all key positions in the outer island districts and community health centres	• Update the Training Needs Plan annually by march each year • Implement the Training needs plan annually	• Training needs plan • % of training needs completed	
27. Undertake a review of services provided in the outer island districts and community health centres and expand services to ensure appropriate services are provided	• Review to be completed by June 2010 • Appropriate services to be provided to outer island districts and community health centres by July 2011 • 10% reduction in number of cases referred to Vaiola Hospital	• Activity completion report • % services provided compared to services required • Decrease in number of cases referred to Vaiola Hospital	

28. Undertake a review of existing facilities and equipment and implement recommendations to ensure these support the provision of services in the outer island districts and community health centres.	• Review completed by December 2009 • Endorsed recommendations implemented by July 2012	• Activity completion report • Recommended facilities and equipment compared to actual facilities and equipment	
29. Develop and implement a programme for the regular provision of specialized services for the outer island districts	• Programme developed by January 2010 • Implementation of programme commenced from March 2010	• Programme for specialized services developed • Specialized services provided to outer island districts	
30. Disaster management plan to be developed for the outer island districts and practiced on a biannual basis	• Plan developed by January 2010 • Practice carried out and activity report completed on a quarterly basis with effect from March 2010 • Endorsed recommendations implemented by the agreed date	• Disaster Management Plan endorsed by the NHDC • Activity Report tabled before the NHDC on a quarterly basis • % of recommendations implemented by due date	

KRA 4: Build Staff Commitment and Development **Goal**: We will build staff commitment and development by demonstrating to staff that they are valued.			
Strategies	**Targets**	**KPIs**	**Responsible Manager**
31. Undertaken a workforce analysis study to establish the number of staff required in the Ministry of Health to provide the range and quality of services required and implemented endorsed recommendations	• Study to be completed by December 2009 • Endorsed recommendations to be implemented by July 2011	• Activity completion report • Staff in post compared to recommended staffing	
32. Implement the performance appraisal system for all managers and staff	• By July 2010	• Performance Agreement held by HR department for all managers and staff	
33. Job rotation plan developed and implemented for all relevant staff	• By July 2012	• Job rotation plan held by each HOD and managers in charge of the outer island districts • Postings reflect plan	
34. Career paths identified for all categories of staff	• By July 2012	• Career paths held by HR Department	
35. Fully implement the computerized Human Resource Management Information System (HRMIS) to assist workforce planning and resource allocation	• HRMIS fully implemented by June 2010 • Staff profiles developed for all staff by June 2010 • Strategic HR plan developed by June 2010	• HRMIS fully operational • % of staff profiles held • Strategic HR plan endorsed by the NHDC	
36. Training and development needs identified for all staff as part of the performance appraisal system	• On an annual basis by July 2010	• Training and Development (T&D) Plan for all staff held by the HR department	
37. Internal training and development needs met for all staff	• By 2011	• Updated T&D Plan	
38. Training and development opportunities prioritized and allocated based on business need and merit & decision published internally	• By March 2009	• Recommendations of the Training and Development committee • Decisions of the Selection committee for training • Results of training & development opportunities published internally in the MoH	

39. Consolidate internal capacity in financial management and budgeting in order to ensure appropriate and transparent resource allocation and management	• Budget and staff proposal prepared in accordance with guidelines • Budget and staff proposal reflect the resources needed to achieve the objectives in the AMPs • Operating and salary expenditure at or below budget allocation	• % programme managers participating in development of the budget and staff proposal • % of objectives achieved in the AMPs • Expenditure compared to budget allocation	
40. In conjunction with other relevant departments, review and enforce the bond requirements of returning scholars.	• Number of scholars fulfilling the bond requirements increased by 50% in 2011	• Number of scholars returning	
41. Develop and submit a proposal to PSC recommending appropriate remuneration for staff on maximum increment.	• Proposal developed and submitted by December 2009	• Proposal submitted	
42. Develop and implement an internal policy for rewarding outstanding performance and achievements.	• By December 2009	• Number of staff rewarded for outstanding performance and achievements	
43. Develop and implement a staff satisfaction survey and conduct exit interviews throughout the Ministry of Health.	• Survey developed and baseline data obtained by December 2009 • Survey conducted annually by end of September each year • Endorsed strategies implemented within 6 months of completing survey • Exit interviews conducted on all staff leaving the Ministry	• Baseline data obtained • Survey conducted annually • Number of exit interviews conducted	

KRA 5: Improve Customer Service **Goal**: We will deliver our services in a professional and friendly manner			
Strategies	**Targets**	**KPIs**	**Responsible Manager**
44. All managers and staff to attend the internal customer service training workshop.	• All managers and staff to attend the workshop if they have not already done so by December 2010 • All new managers and staff to attend within 6 months of their appointment	• % of managers and staff attending workshop	
45. Develop and implement Service Level Agreements (SLA) for each division and district.	• By July 2010	• Number of Service Level Agreements in place	
46. Develop and implement customer satisfaction surveys in each division and district of the Ministry of Health	• Surveys developed and baseline data obtained by December 2009 • Feedback obtained and acted on, on a quarterly basis • 20% increase in customer satisfaction by December 2010	• Number of customer feedback systems in place • Baseline data obtained • Minutes of divisional and district management meetings • Increase in customer satisfaction	
47. Review customers information needs and implement endorsed recommendations to improve communication	• Review conducted by June 2010 • Improvements implemented by June 2011	• Activity completion report • Number of improvements made by due date	

KRA 6: Continue to improve the Ministry Infrastructure and ICT **Goal**: We will continue to improve the standard of existing facilities and ICT, and construct new facilities and introduce new ICT where needed.			
Strategies	**Targets**	**KPIs**	**Responsible Manager**
48. Update the Ministry's asset register to include all existing facilities and equipment	• By December 2009	• Asset Register updated and completed	
49. Complete all phases of the redevelopment of Vaiola Hospital	• By 2011	• Activity completion report	
50. Undertake a review of existing facilities, ICT and equipment and develop a National Health Information Strategic Plan to guide the appropriate adoption of relevant technology to support health care services.	• Completion report of the review prepared by December 2009 • Completion of the National Health Information Strategic Plan prepared by December 2009	• Completion report of existing ICT • National Health Information Strategic Plan developed	
51. Develop and introduce relevant ICT initiatives which foster efficient and effective health care delivery, communications, timely and accurate information sharing, security and innovation.	• Introduction of both basic and advance functionality of the intranet and e-library by December 2009 • Improve inter-island groups communication by 2010	• Completion of intranet and e-library implementation • Utilization of inter-island communication	
52. Introduce ICT initiatives to support electronic health records, improve quality of disease coding, confidentiality and affordable to be managed.	• Digitize inactive medical records by December 2010 • Upgrade to ICD 10 AM Version 6 by July 2009	• Medical Records digitized • Complete adoption of ICD 10 AM version 6	

Table of Acronyms

CDO	Chief Dental Officer
CMO, PH	Chief Medical Officer, Public Health
CMO, CS	Chief Medical Officer Clinical Services
CNO	Chief Nursing Officer
MID	Managers in Outer Island Districts
MS	Medical Superintendent
PHA	Principal Health Administrator
PHPO	Principal Health Planning Officer

Annex 9: Assessment of Ministry of Health's Corporate Plan and Balanced Scorecard

1. Introduction

In line with the Paris Declaration and ACCRA Agenda for Aid Effectiveness, AusAID's new design to support the Tongan health system relies on the planning and monitoring systems of the Ministry of Health. To establish the quality of the Corporate Plan 2008/9-2011/12 (CP) and Balanced Score Card (BSC) the follow questions have been considered:

- Is the plan aligned with Tongan national strategies and priorities? Is the plan aligned with AusAID's country strategy for Tonga?
- Did the consultation process involve all those who have a key role to play in the health sector in Tonga? Were processes inclusive, particularly gender inclusive?
- Is the plan 'owned' by the MoH? i.e. are managers and staff committed to the plan and what it sets out to do?
- Does it have clearly articulated goals and objectives? Are they realistic and achievable?
- Will the proposed strategies contribute to the achievement of the goal and objectives? Are priorities clearly identified? Do the plan and monitoring processes provide a sound basis for the allocation of AusAID funds?
- Are performance indicators appropriate? realistic? measurable?

2. Alignment with Tongan and Australian plans

The plan is aligned with Tonga's *National Development Plan (NDP) No. 8* and acknowledges, and pre-empts, NDP No. 9. While the corporate plan will need to be reviewed when NDP9 is finalised it is unlikely that changes will be required as the priorities for health, identified during the corporate planning process, are feeding in to NDP9 development process.

The Plan is aligned with AusAID's country strategy for Tonga and the recently signed *Partnership for Development.* ***The plan provides a very sound basis on which to agree funding.*** Funded strategies will fall within the agreed areas of *Reducing NCD risk factors; Improving community health services;* and *Allocating more budget to preventative health* as documented in the *Partnership for Development*.

3. Planning process

Commitment to the plan is likely to be high given the extensive development process involving two rounds of consultations with MoH personnel and external stakeholders and additional consultations with key stakeholders. (There were 21 workshops with 299 MoH personnel and 72 stakeholders[39].) The number of women involved in the process is not evident from the documentation.

4. Goals, objectives and strategies

The mission, vision and core values are appropriate and understandable. The addition of a core value relating to the development of partnerships with stakeholders acknowledges the recognised need to work more holistically across the sector to ensure the most effective and coordinated use of all Tongan health resources including the small private sector and developing non government sector.

[39] In the message from the CEO, Page 4.

The Key Results Areas (KRAs), goals, strategies, targets and key performance indicators (KPIs) detailed in Annex A and the BSC provide good guidance to all stakeholders about what needs to be done, by when and how each will be monitored and evaluated. It is noted that responsibility for implementation is yet to be allocated.

Of concern is the apparent lack of prioritisation. The plan is very ambitious and it may not be possible to achieve it all, particularly if unexpected events occur (for example, loss of key medical personnel or a flu pandemic). It would benefit from some indication of the level of priority of each strategy (for example, low, medium or high priority). AusAID should focus its funding on high priority strategies.

5. Performance monitoring

The MoH has relatively sophisticated monitoring processes. The *Overview of Health Indicators*[40], which date back to 2003, provide a basis on which to track progress against overall health *outcomes* including progress towards the Millennium Development Goals. It should be noted that ***attribution of the contribution of the AusAID program to progress against these indicators will be problematic so qualitative judgements will need to be made.***

At the *inputs and outputs* levels, the BSC provides a well articulated list of KPIs and the means by which each will be measured. These indicators are linked to the Executive Performance Appraisal System, the Quarterly Reporting System and the MoH Annual Report to the GoT, institutionalising the monitoring process. ***AusAID should be able to use this process to track progress of implementation.***

The high number of KPIs(>100) is of concern. The amount of work required to maintain the records to track each KPI may outweigh the benefits. It is recommended that this be monitored and the number of KPIs reduced if necessary (perhaps at the end of the first year of implementation).

6. Conclusions

The MoH is to be congratulated on the development of a Corporate Plan that provides clear and appropriate direction for health over the next four years. The plan, the balanced score card and the MoH's own performance management processes (if properly implemented) provide AusAID with a sound basis on which to agree the allocation of funds, to track progress and to evaluate health outcomes. The potential weaknesses of the plan that could impact on AusAID are the lack of prioritisation of the strategies and the high number of KPIs which may lead to an inability to collect all of the data needed to track progress.

[40] Section 8, Page 7

Annex 10: Factors to be included in reports to ET-Plus

It is important that the ET-Plus maintains a strategic view of the Program and does not involve itself in the detail of implementation of individual projects. That role should be taken by the ET. An important part of ensuring the ET-Plus does focus at a strategic level will be the information which is provided to it. The ET-Plus should give careful consideration to the information it asks to be provided. It is suggested that information provided to the ET-Plus at each meeting should include:

1. For current financial year:
    - % allocation and expenditure to date on each Program component and sub-component
    - % allocation and expenditure on each island group
    - % allocation and expenditure on each MoH KRA:
        - KRA 1: Build capability and effectiveness in preventive health services to fight the NCD epidemic and communicable diseases.
        - KRA 2: Improve the efficiency and effectiveness of curative health service delivery
        - KRA 3: Provision of Services in the Outer Island Districts & Community Health Centres
        - KRA 4: Build Staff Commitment and Development
        - KRA 5: Improve Customer Service
        - KRA 6: Continue to improve the Ministry Infrastructure and ICT
    - % allocation and expenditure on MoH, NGO and Other Departments
2. For whole Program period:
    - % allocation and expenditure to date on each Program component and sub-component
    - % allocation and expenditure on each island group
    - % allocation and expenditure on each MoH KRA.
    - % allocation and expenditure on MoH, NGO and Other Departments
3. Summary of other external funding available.
4. Recommendations from the ET on action taken or needed to address problems in implementation.
5. Summary of all decisions of the ET-Plus and progress in implementing each.
6. Recommendations of the most recent Six-Monthly Review for consideration.

Annex 11: Professional staff retention review – Draft terms of reference

1. Background

The Tonga health sector suffers from the lack of qualified health professionals. The reasons for the lack of trained personnel are likely to include:

- A relatively small pool of health professionals are being trained
- The high level of emigration to developed countries such as New Zealand, Australia and the United States
- Lack of resources in the health sector that impact on salary levels and working conditions

The exact reasons are not known.

Staff retention has long been an issue for the MoH evidenced by the December 2006 'Updated Organisational Strategy' that identified the need for a review of retention strategies. The purpose of that proposed review was to:

- Revisit the principles of motivation and job satisfaction
- Review existing retention strategies
- Develop options for new strategies which effectively reduce attrition

The desired outcomes were:

- Increased awareness of the principles of motivation and job satisfaction
- Options for effective retention strategies are developed which are congruent with GoT strategies

Due to resource constraints, this review has not yet been conducted.

Tonga MoH is the pilot site for a regional project on workforce planning being for the Pacific Principal Health Officers Network. The project aims to develop a workforce planning tool to provide the Tongan Ministry of Health (and thus other members of the network) with a method of assessing and reviewing nurse staffing levels. The project has three phases:

1. Review of literature and other sources to identify best practice approaches to developing workforce planning processes.
2. Review the available information on the nursing workforce in Tonga.
3. Develop the workforce planning methodology for assessing and reviewing nurse staffing levels in the Tongan Ministry of Health.

The model should be applicable to all employee groups. The project is due for completion in December 2008.

The World Health Organisation is also seeking to address health sector staffing issues on a regional basis through its Regional Strategy for Human Resources for Health. Key areas of support include, but not limited to:

- generate evidence, technical tools /guides for policy and strategy development, planning and management
- education and training of health workers (both quantity and quality)
- improve standards of practice and ethics
- enhance workforce performance and retention
- advocacy, effective partnerships and networking.

While all of this work is planned or underway, the issue of lack of professional staff, particularly doctors, was identified as the most critical issue facing the Tonga health sector during the design for the new phase of Australian Government support.

2. Purpose

The purpose of the proposed review is ***to analyse the issue of staff retention and develop strategies to increase the number of skilled personnel available to the health sector in Tonga***. Specifically, the review will:

1. Thoroughly analyse the problem to determine the main reasons for the lack of health professionals in Tonga
2. Identify strategies to address the causes of the problem
3. Develop a costed action plan

Aspects to be explored will include:

- Attraction – Do people want to work for the health sector in Tonga? Is a career of choice for young people? What are the motives for seeking health qualifications?
- Education – How do people gain health qualifications? Are the numbers being educated adequate to meet Tonga's needs? Where do people work after being trained?
- Recruitment and selection – Are the right people being selected for training? To work at the MoH? Are selection processes appropriate?
- Induction and orientation – Are people properly introduced to their jobs and the MoH?
- Work satisfaction – Do people like working for the MoH? What are their views on salary and conditions? Why do people leave?
- Completion – Do people feel they can come back after they leave? If so, what incentives are needed?

The report and recommendations should clearly distinguish urgent versus emerging issues.

3. Objectives

The specific objectives of the review are:

a) To identify the actual (rather than assumed) reasons for the shortage of medical professionals in Tonga.
b) To develop a costed action plan to address the priority issues identified.

The expected longer term outcome is that Tonga will have an adequate supply of health professionals to deliver health services to the standards defined in the MoH Corporate Plan.

4. Indicative Methodology

The final methodology will be developed by the review team in consultation with the MoH. Indicative elements are as follows:

- Pre-reading of relevant materials including related plans and reviews
- Background briefing by MoH
- Data gathering through one on one and group sessions with MoH personnel
- Discussions with external stakeholders including PSC, MoF, NGOs, private sector health professionals, etc.
- Workshop to present findings and explore solutions
- Review of all related projects including those noted above
- Report preparation

- Development of a costed action plan

5. Outputs

The review team will provide:

- A brief presentation to the MoH Executive team outlining their initial findings and recommendations
- A draft report of no more than 12 pages (excluding attachments) outlining their findings within 10 days of completion of the in-country component of the review.
- A final report of no more than 12 pages and a costed action plan within one week of receipt of comments on the draft report from the MoH s.

6. Review Team

The Review Team will include the following expertise:

- Knowledge of the health sector and its human resource requirements
- Organizational / institutional change and capacity building expertise
- Experience in workforce planning and retention strategy development
- A knowledge of the GoT public sector

7. Duration

The assignment will be carried out over a total period of 20 days:

- 3 days pre reading and research
- 10 days data gathering and strategy development
- 2 days for the workshop
- 5 days report writing

8. Further information

For further information please contact …..

Annex 12: Gender – One equity issue

The status of men and women in Tonga is closely linked to the country's traditional cultural structures which dictate the relative status of men and women in different circumstances. In some relationships (e.g. brother-sister) women have higher status. Christianity has heavily influenced gender roles (including the gender division of labour) and reshaped moral values. The status of Tongan women also appears to be influenced by demographic and social changes, especially large-scale international migration (where women are often left behind to manage as single parents), urban congestion (in Nuku'alofa) and rising poverty and landlessness[41].

Gender related health indicators
As outlined earlier in this report, health indicators for Tongans are, in the main, positive. Additional gender indicators (for 2006) include:

- The Infant Mortality Rate was 10.7 – fluctuating from a low of 9.8 in 2002 to a high of 15.7 in 2004
- The Perinatal Mortality Rate (per 1,000 live births) was 13.1, down from 15.8 in 2002
- 97% of pregnant women were immunised against tetanus
- 100% of the population had access to appropriate health care services with a regular supply of essential drugs with one hours walk[42]
- 100% of infants were attended by trained personnel
- 23.9% of married couples practiced contraception
- 99% of pregnant women attended antenatal care
- 98% of deliveries were conducted by trained personnel (most babies are born in hospital – in 2006, only 41 births out of a total of 2655 deliveries were carried out by traditional birth attendants)
- The total fertility rate was 4.1, up from 3.3 in 2002
- The maternal mortality rate had risen from 78.2 per 100,000 live births in 2002 to 110.5 in 2006 with a peak at 227.8 in 2005[43].

The leading causes of death in Tonga for both men and women are diseases of the circulatory system (48%) and cancer (17%). The leading form of cancer is breast cancer. Non communicable diseases also affect more women – 114 out of the 190 new cases of diabetes diagnosed in 2006 were women.

While the recorded incidence of HIV and AIDS is low, there are a growing number of STI cases. This is attributed to increased sexual activity amongst young people, lack of access to information about the risks associated with unprotected sex and lack of access to condoms. For married women Depo-Provera is the most preferred form of birth control followed by the Pill. Condom usage is low at 11%.

Gender strategies for the new program
Women employees at all levels of the MoH and key female personnel from NGOs were actively involved in the design of the proposed program through one on one meetings and group discussions.

[41] `Atu `o Hakautapu Emberson-Bain. (1998) ADB Country Briefing Paper - Women in Tonga. Page x.
[42] Note that anecdotal feedback suggests that health centres (and sometimes the hospitals) run out of essential supplies.
[43] While unacceptably high these figures must be taken in the context of actual births – in 2006 2716 children were born in Tonga.

Gender expertise – It is proposed that a gender advisor be appointed to support the program to develop a gender strategy to ensure it is addressing gender appropriately. The Gender Advisor will, with the MoH's nominated gender officer, conduct an initial assessment to identify gender related priorities, support the development of gender positive projects, and support the monitoring of the gender aspects of the program.

Project plans - A plan is to be developed for each project funded under the program. There will be a gender based element in the planning template that seeks clarification about how each project will impact on women and children. Projects that impact negatively should not be supported.

Monitoring and evaluation –A baseline should be established through sex disaggregated data for relevant balanced scorecard indicators and gender related outcomes are to be specified for each project where appropriate.

Potential adverse affects on women – While it is unlikely that the program will directly have any adverse affects on women, there is a risk that male employees of the MoH will have more opportunities to benefit from the professional development associated with the program. This must be monitored.

Annex 13: Risk matrix

L = Likelihood (5 = almost certain, 4 = likely, 3 = possible, 2 = unlikely, 1 = rare)
C = Consequences (5 = severe, 4 = major, 3 = moderate, 2 = minor, 1 = negligible)
R = Risk Level (E = extreme, H = high, M = medium, L = low)

Risk event	Source of Risk	Impact on Program	L	C	R	Risk Treatment	Responsible
Design Risks							
Future changes to the Corporate Plan and related Annual Management Plans do not provide clear guidance on health priorities.	Lack of resources to develop the plans. Possibly some lack of expertise.	Lack of clarity about what should be funded. Possible funding of work that is not a priority.	2	4	H	Provide TA and resources to support the planning process.	ET and AusAID. Six-Monthly Review team should identify if this is an issue and ET and AusAID should initiate corrective action.
GoT financial systems not able to adequately control and account for Australian funds.	Weakness in systems Lack of skilled staff Lack of staff.	Threat to the greater development benefits which can be achieved by utilising GoT systems. Delays in implementation and expenditure and additional costs while new arrangements are put in place or systems are strengthened.	3	3	H	Based on analysis of the reasons, it may be appropriate to: provide additional technical assistance, staff or training; shift to an imprest account arrangement; or contract this responsibility to another, possibly external, organisation.	ET and AusAID post based on advice from procurement advisers and six-monthly reviews.
Information is not available to assess impact, outcomes or outputs of the Program.	Data to support assessments against the balanced scorecard are not collected.	Effectiveness of the Program will be difficult to assess and any assessment will be less soundly based.	3	3	H	Monitoring by Six-Monthly Reviews should reveal this problem and enable corrective action.	Six-Monthly Review Team Leader. ET-Plus

Risk event	Source of Risk	Impact on Program	L	C	R	Risk Treatment	Responsible
MoH managers and staff do not implement projects as agreed.	High workloads. Other priorities. Lack of project management and implementation capacity.	Lack of implementation of projects thus lack of program outcomes.	4	3	H	Ensure support is available in the planning of projects. Ensure project plans include adequate additional resourcing if needed. Ensure resources are accessed. Provide coaching and/or training in project management to Project Managers.	ET has primary responsibility. Six-Monthly Reviews should examine this and recommend responses..
Ad hoc, reactive activities are funded at the expense of longer term, strategic projects.	Flexibility is interpreted to mean "fund anything' – rather than the capacity to address emerging issues linked to health priorities as they arise.	Short terms benefits may negate long term capacity improvements in the health system	3	3	H	Need to ensure all stakeholders have a common understanding of what is meant by 'flexibility', and that Six-Monthly Reviews examine this risk. AusAID to actively participate in the high level management of the program.	Six-Monthly Review team. ET and AusAID post should consider and act on recommendations..
Projects do not address issues across all parts of the sector, all locations or affecting all population groups as identified in equity strategy.	Previous AusAID Project primarily focussed on management and planning and Tongatapu – risk that the 'norm' will continue.	Continued growth in the capacity of Tongatapu based Ministry planning and management and/or services at the expense of outer islands and/or service delivery	3	3	H	Ensure program planning and decision making process overtly identify and manage this risk.	Reports to ET-Plus should summarise allocations and expenditure against these categories. (See Annex 10.)

Risk event	Source of Risk	Impact on Program	L	C	R	Risk Treatment	Responsible
Overall program implementation is much slower than would usually be the case	Expectations may be established based on the previous project which was outsourced to an experienced Managing Contractor. Use of GoT systems, processes and personnel will take time because of lack of experience.	Expenditure and resultant outputs and outcomes are likely to be far slower than the past.	4	2	H	Ensure realistic timeframes are identified. Review progress and ensure barriers to progress are addressed in a timely manner. Recognise and accept that mistakes will happen. Ensure the lessons are learned by all involved. Celebrate successes!	Six-Monthly Review team will have a critical role in bringing this perspective.
Capacity improvements cannot be sustained.	High turnover of MoH staff.	Continuous need for significant capacity building.	3	3	H	Ensure reasonable level of resources support HR management aimed at limiting staff turnover. Direct capacity building to systems rather than individuals. Involve a broad cross section of staff in capacity building to provide appropriate skill redundancy.	ET-Plus ET-Plus ET-Plus
Uncertainty of management of Ministry.	Change of Director (new Director appointed early in 2009). Possible changes of other key managers.	Slow decision making on priorities. Slow implementation and less adequate supervision of funded work. Under expenditure of AusAID funds and under achievement against Corporate Plan targets.	2	3	M	Support new Director and Executive Team as they develop management approaches to suit changed personnel and relationships, and support management communication with staff and others.	Establishment Adviser may be able to play this role. AusAID post should monitor this and offer external assistance if needed.

Risk event	Source of Risk	Impact on Program	L	C	R	Risk Treatment	Responsible
Coordination Risks							
Projects are implemented which overlap or fail to complement projects funded by other donors or through AusAID regional programs.	MoH is not aware of or does not take account of other funding sources.	Inefficiency and wasted resources of both GoT and AusAID.	2	2	L	Active coordination of AusAID regional programs with MoH by AusAID Post. MoH Planning and Information Division to maintain and communicate good information about donor programs underway or planned.	AusAID Post Planning and Information Division
Political Risks							
Political and social instability and economic stagnation/ deterioration.	Social unrest during process of transition to greater democratic participation.	Ministry focus shifts from improving the health system to keeping it going. Staff not able or willing to attend work. Disruption to transport, supplies etc.	2	4	H	A temporary shift to enable emergency support to elements of the health sector may be needed. A temporary change to financial management arrangements may be needed if systems break down or staff are not available.	ET and AusAID Post will need to monitor this risk and not rely only on Six-Monthly reviews as the impacts may occur quickly.
Environment Risks							
Significant change in disease status or disease threats compared to that expected.	Potentials risks associated with diseases such as Avian or Swine flu or higher than expected NCD rates.	May need to redirect all health efforts (including program funds) to address the health issue.	1	2	L	Monitor the progress of high risk diseases. Decisions on redirection of program efforts to a significant extent to be made by ET-Plus.	Planning and Information Division. ET-Plus

Annex 14: People consulted during design

Name	Organisation	Position	Email	Phone
Dr Viliami T. Tangi	Government of Tonga	Deputy Prime Minister and Minister of Health		
Dr Litili 'Ofanoa	Ministry of Health	Director of Health		
Mr Brenton Rodgers	Australian Department of Health and Ageing	Assistant Director Strategic Policy		
Ms Barbara Tuipulotu	Australian High Commission, Nuku'alofa	Program Officer		
Ms Debbie Reschke	Australian High Commission, Nuku'alofa	First Secretary Development Cooperation		
Mr Napuaki Matsui	JICA	Resident Representative, Nuku'alofa		
Ms Sela Vakasiuola	JICA	Programme Officer		
Mr Henry Cocker	Ministry of Finance	Chief Economist		
Ms Mary-Jane Moala	Ministry of Finance	Acting Senior Economist		
Lesieli Tufui Faletau	Ministry of Finance	Acting Secretary		
Ana Abanele	Ministry of Health	Radiology		
Ane Ika	Ministry of Health	P/Med Sci		
Aspasia K Vaka	Ministry of Health	Tutor Sister		
Ava Akaiola	Ministry of Health	Catering supervisor		
Dr Siale 'Akauola	Ministry of Health	Medical Superintendent and Pathologist		
Dr Sisilio Tomiki	Ministry of Health	Chief Dental Officer		
Esteli Pasikala	Ministry of Health	Nutritionist		
Eva Mafi	Ministry of Health	Health Promotion		
Feleunga Vakauta	Ministry of Health	Lab technician Gr 1		
Halasou Taulanga	Ministry of Health	Health Administrator		
Katoa Kumowanga	Ministry of Health	Accounting Officer		
Lasini Sinamoni	Ministry of Health	Principal PAO Health Officer		
Latu Soakai	Ministry of Health	Senior Medical Scientist		

Name	Organisation	Position	Email	Phone
Lineti Fakenio	Ministry of Health	Nursing Sister		
Lisita Holiani	Ministry of Health	Medical Recorder		
Losaline Halapua	Ministry of Health	Pharmacist		
Louhangale Sanaki	Ministry of Health			
Lusi Polota	Ministry of Health	Telephone operator		
Mafi Hufanga	Ministry of Health	Financial Analyst		
Makelesi Pole	Ministry of Health	S/Nurse Midwife		
Manusiu Kemoeauga	Ministry of Health	Nursing Sister Supervisor		
Mele Kapani	Ministry of Health	Nursing Sister		
Mesalina Fonua	Ministry of Health	Computer Operator Gr 1		
Moala Sikalu	Ministry of Health	Anaesthesia/ICU		
Moli Kiola	Ministry of Health	Computer Operator Gr 3		
Mr Sione Hu'fanga	Ministry of Health	Acting Chief Planning Officer		
Mr Te'efoto Mausia	Ministry of Health	Supervising Public Health Inspector		
Mrs Melanante Mahe	Ministry of Health	Principal Pharmacist		
Ofa Takulua	Ministry of Health	Senior Nursing Sister		
Pakapaka Malolo	Ministry of Health	Staff nurse		
Patinia Patelisio	Ministry of Health	Public Health Administrator		
Paula Latu	Ministry of Health	D/O Dental Dept		
Penisimani Hausne	Ministry of Health	Driver		
Poaki G Totau	Ministry of Health	Computer Operator Gr 2		
Safoni Fiu	Ministry of Health	Health Registrar		
Salote Puloka	Ministry of Health	Hospital Administrator		
Sela Paasi	Ministry of Health	Supervising PH Sister		
Sela Tuitupou	Ministry of Health	Staff Nurse		
Seneti Fakahua	Ministry of Health	Nursing Sister in Charge Operating Theatre		
Senisaleli Pasikala	Ministry of Health	Lab technician Gr 2		
Siaki V Lavaei	Ministry of Health	Driver		

Name	Organisation	Position	Email	Phone
Sione Hufanga	Ministry of Health	A/PHP6		
Sione Veilofia	Ministry of Health	Senior Medical Records Officer		
Sisifa Pongia	Ministry of Health	Senior Staff NR		
Sr Ana Kavaefiafi	Ministry of Health	Chief Nursing Officer		
Tifa 'Atuekaho	Ministry of Health	Computer Operator Gr 1		
Toakase Fakakon	Ministry of Health	Paediatrician		
Ana Tautua'a	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Senior Public Health Nurse		
Dr Afa Taulangoeaka	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Chief Dental Officer		
Dr Lemisia Saale	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Acting Chief Medical Officer		
Leopino Faasolo	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Health Inspector		
Luseane Esau	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Public Health Nurse		
Manase Malua	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Health Inspector		
Mary Havealeta	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Director of Nursing		
Ma'u Tu'ineau	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Technician in Charge of Pharmacy		
Ofiu Isamau	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Senior Health Inspector		
Tavite Eteaki	Ministry of Health Prince Wellington Ngu Hospital, Vava'u	Laboratory Technician		
Sr 'Amelia Tu'ipulotu	Ministry of Health Queen Salote School of Nursing	Principal		
Sr 'Ofa Takulua	Ministry of Health Vaiola Hospital	Matron		
Mr Edward Ablett-Hampson	New Zealand High Commission, Nuku'alofa	Deputy High Commissioner		
Fanau'ifo'ou 'Akauola	Public Service Commission	Acting Secretary		
Melelupe Fohe	START	Psychologist Social Worker		
Mr Feleti Eke	Supporting Services MoH	Mechanical Supervisor		
Simi Silapelu	Tonga Association of NGOs	President		

Name	Organisation	Position	Email	Phone
Faleata Leha	Tonga Family Health Association	Program Officer		
Katherine Mafi	Tonga Family Health Association	AHD Project Coordinator		
Ms Amelia Tialeli Hoponoa	Tonga Family Health Association	CEO		
Ms Silina Fusimalohi	Tonga Family Health Association	Executive Director		
Ms Rachael Brown	Tonga Health Sector Planning and Management Project	Former adviser		
Felicity George	Tonga National Youth Congress			
Ms Vanessa Lolohea	Tonga National Youth Congress	Acting CEO		
Polikalepo. M. Kefu	Tonga National Youth Congress	Project Coordinator		
Sione Taumoefolau	Tonga Red Cross	Secretary General		
Marina Tuitupov	Vava'u Governors Office	Principal Assistant Secretary to the Governor		
Scott Percy	Vava'u Pharmacy	Pharmacist (private)		
Dr Pratap Jayavanth	WHO	Acting CLO		
Dr Bakhuti Shengalia	World Bank	Review Team Leader		
Mr Viliami Ika	World Bank Project Management Unit	Project Coordinator		

Annex 15: Draft concept paper

Australia – Tonga Health Improvement Facility (A'THIF) 27 March 2008

1. Analysis

Country/sector context

According to the census conducted in November 2006, Tonga's population is 101,000 dispersed across 37 inhabited islands. Tonga's GDP growth is positive 0.8 per cent for the first time in several years. Annual real GDP growth averaged 2.6% from 1990-2003.

Tonga has a high standard of health compared with other countries of similar per capita income. In general a reasonable level of service is available to the majority of the population, vaccination rates are high and most people have access to sanitation and safe water. Nevertheless, while not facing an imminent health crisis, Tonga is facing a number of serious challenges. If these issues are not addressed, they will in the medium term, impact on the ability of the MoH to provide access to an adequate level of service. Many reports note the relative decline in the incidence of infectious diseases and the rise in the incidence of non-communicable diseases such as diabetes, obesity, diseases of the cardiovascular system and cancer. Associated with this is the heavier cost burden imposed on the health system in treating these life-style diseases, and a need for greater emphasis on their prevention. Nearly all services provided by the MoH are currently free of charge, as guaranteed by the constitution[44], although transport costs to the chosen medical facility are an issue in some remote areas. While the demand for services has not increased at the same rate as in Western countries with national health services, it has become more sophisticated in that many patients on the main island of Tongatapu expect to see a doctor at the hospital, and tend to by-pass health centres in the rural areas.

In the past three years a number of events have occurred in Tonga which impacted on the Ministry of Health. Firstly there was the public service industrial action, which took place from July – September 2005 and which led to a financial squeeze which resulted in a freeze on new appointments, promotions and payment of acting allowances and paid overtime (these arrears have now been paid). This was followed by the GOT restructure and reform program with the (delayed) selection process for the appointment of CEOs across government and the voluntary redundancy scheme, which ran from March – June 2006, and which resulted in the loss of 68 MoH staff.. There was also the death of His Majesty the King in September 2006 and, most recently the civil unrest and riots which occurred in Nuku'alofa in November 2006. Whilst the external environment has become somewhat more stable the impact of these events is still being felt by the Ministry. The budget remains tight, with little funding for operational and maintenance costs and the external environment remains vulnerable as Tonga moves toward a more democratic system in 2010.

Poverty Analysis

Poverty is defined as hardship in the Pacific with an emphasis across three areas. These are a lack of employment and income generation opportunities, lack of access to basic

[44] With the assistance of the World Bank funded Health Sector Support Project, the Ministry is in the process of implementing user fees for health services

services, especially health care and education, and government responsiveness to the needs of people. Tongans emphasised both the lack of access to services and government responsiveness as their key issues in the 2004 ADB Hardship Survey and Strategic Development Plan 8 (SDP8) Consultation in 2005-06.

The current poor and those at risk as identified in the SDP8 include:

- Women, particularly those without partners
- Children and youth
- Disabled and elderly
- Landless, squatters, dislocated, poorly educated people.

Within Tonga there are large disparities between residents of the main island of Tongatapu (where 68 % of Tongans reside) and the outer islands – the most remote are 2-3 days travel by sea. Delivery of core services in these remote locations and access to markets is highly constrained.

Under the United Nations Human Development Index (HDI), Tonga ranks the highest in the Pacific. The official adult literacy rate is 99%, composite life expectancy is 71 years, infant mortality is 15.7 per cent per 1000 births, maternal mortality is 82.3 per 100,000 births. Tonga is very high on the Vulnerability Index which takes into account a country's vulnerability to external economic shocks and natural disasters with Tonga ranked third most vulnerable out of 111 countries.

Strategies

Support to the health sector in Tonga contributed to the following global, agency, regional and bilateral strategies:

Millennium Development Goals	Goal 4: Reduce child mortality Goal 5: Improve maternal health Goal 6: Combat HIV/AIDS, malaria and other diseases
Helping Health Systems Deliver, A Policy for Australian Development Assistance in Health August 2006	Strengthening Health System Fundamentals Addressing the priority health needs of women and children Supporting country specific priorities to address high-burden health problems
Pacific Regional Strategy 2004-2009 *Better service delivery*	Support the development of systems and human capacity to more effectively manage service delivery to remote and fragmented populations. Assist maintenance of adequate standards of health (and education) services.
Kingdom of Tonga Strategic Development Plan 8	Goal 6: Improve health standards
Draft Kingdom of Tonga – Australia Development Cooperation Strategy 2007-2012	Improving Service Delivery

Partner Government/Other key stakeholder discussions

With the previous program covering a period of eight years, a very strong relationship has been established between AusAID and the MoH. MoH has also built considerable capacity in planning. In consultation with the Government of Tonga, the Independent Completion

Report and discussions between Post and MoH have identified the following areas for possible future support:

1. Ongoing support is needed to continue the rollout of initiatives commenced under the previous health project (e.g. rollout of the balanced scorecard, human resources, financial reporting, implementation of the organisational strategy).
2. Further planning, management, organisational development and capacity building is needed in clinical and public health areas and in the island services.
3. Assistance is improve capacity of health service providers Health Centres and clinics. Initial discussions with health service providers highlighted funding for maintenance of equipment and for travel to remote areas as the main priorities. There is also a need to upgrade equipment in Lifuka Hospital (Ha'apai – one of the remote island groups).
4. The current revision of the National Health Plan will generate specific areas of need.
5. Ongoing support for two existing arrangements, the twinning arrangement between St John Hospital of Ballarat and Vaiola Hospital (Nuku'alofa) on clinical service delivery and the support of two surgeons through PACTAM.
6. The need to coordinate donor assistance to the Health Sector.

Noncommunicable diseases (NCDs) are a priority for Tonga. With AusAID's new regional framework for addressing the control of NCDs in the Pacific there is an opportunity to strengthen NCD control, particularly through improved management and planning capacity within MoH. The bilateral program will need to coordinate closely with the regional program.

There have been initial discussions with the WB, WHO and the AusAID regional health team about coordinating with their assistance. The other major bilateral donor in Tonga is NZAID and they are not planning any involvement in the health sector.

Cross-cutting themes

Economic Growth

It is reasonable to assume that improvements in health will impact on economic growth. Human resources are a large component of Tonga's exports, with remittances from expatriate Tongans making up almost 50 per cent of GDP.

Gender

The previous Health project aimed to support the development of a gender balance in the MoH by facilitating the review and redesign of MoH human resource (HR) policies to identify discriminatory practices. It also ensured MoH women had access to capacity building opportunities such as training programs, working groups and task forces (which drew on junior staff who were often women). We would like this approach to be continued in the new program.

In general in Tonga, women are responsible for the health care for the family. Maternal and child health is a focus of the community health clinics. Ensuring that good health services are available will reduce the burden on women.

Environment

It is the responsibility of the MoH to track, and identify, environment related health issues such as outbreaks of infectious diseases like typhoid, dengue and salmonella. Improved health management should result in effective monitoring which should in turn lead to improvements in environmental management, for example, vermin control and water quality.

Partnership and the promotion of regional stability and cooperation

This program will support existing partnership with the St John's Hospital of Ballarat, work in conjunction with the Regional Program for Non-Communicable Diseases to be managed through the SPC. The design will also look at ways in which the Ministry of Health can improve donor coordination. Other donors working in the health sector in Tonga include JICA, WB and some Chinese funding. The WHO also has an in-country representative.

2. Activity Description

There are two objectives of the program:

- to continue to improve health management, with a focus on performance management, financial management and planning.

- to provide basic health service delivery to at least a minimum standard (as determined by MoH).

Delivery options

It is likely that the program would have a mix of delivery options. The tight fiscal situation that the Government of Tonga must be taken into consideration when planning the delivery options and longevity of assistance to the health sector. The GoT funding is nearly wholly consumed by salary costs, with little opportunity to shift this balance in the near future. This requires donors to give GoT certainty over future commitments so that it can plan accordingly. Donors must also consider any additional recurrent costs associated with any development assistance.

The need for flexibility has been a key lesson learnt from the previous health program, to allow managers to plan and manage effectively and not have an over-prescriptive design. The program should support the Ministry of Health's own plans and implementation priorities and should not duplicate planning and reporting requirements. The design should not go into technical detail, but provide a framework/mechanism through which donor resources can be utilised, and provide for adequate monitoring and evaluation.

The Ministry of Health has recent experience with a couple of different donor programs and different management modalities, including a managing contractor (through the previous AusAID program) and a Program Management Unit for the current World Bank program. From initial discussions it appears that the MoH has a preference for the latter, however this needs to be discussed once the full scope of the program is understood.

There is a need for some ongoing capacity building in health management, this would require some technical assistance, both long and short term, as well as training.

Potentially, there could be room for a grants program for maintenance of the community health facilities and running costs, such as fuel for the community boats to access the islands (for example at the moment the community provides a boat for the health workers to use, but they cannot pay for the fuel). A grant program could be based on the clinic/centre meeting a minimum standards requirement. This has worked effectively in the Tonga Education Support Program.[45] Capacity building of community clinic staff is also an area where some support may be required.

JICA has been funding a vaccination program. JICA funding for this will expire in 2008. There is an opportunity for AusAID to continue this support through a procurement fund which could also assist in the capacity development of the procurement unit in the Ministry of Health.

There are also some current activities that are working effectively and that would make sense to bring under the umbrella of a Health Program including:

- St Joseph's Hospital of Ballarat twinning program for hospital clinical capacity building,
- The funding of two surgeons through PACTAM.

3. Implementation Arrangements and Resourcing

Funding Envelope

There has been an allocation of AUD$2m per annum in the Draft Australia-Kingdom of Tonga Country Strategy. This is in addition to the funding agreed to support for the NCD program.

Duration

The previous program, after a series of extensions, had a duration of almost 8 years. From the reviews, and the ICR it was determined that the longevity of the program was one of the contributors for its success. As mentioned above fiscal constraints in the Government of Tonga also means that having certainty about assistance into the future allows for improved planning. As such, we are proposing a 10 year program, with review periods after the first two years then every three years thereafter to ensure its relevance.

Critical Risks	*Risk management strategies*
Lack of coherence with the regional NCD program	Ensure that the design team is briefed on the Regional NCD program and that MoH and the new Tonga Health Promotion Foundation have a joint program for improving health outreach programs.
High staff turnover in MoH	Take into consideration during design phase, assist with HR management and ongoing capacity development strategies, job sharing etc
Increasing incidence of NCD reduces resources available for basic health	Support good Public Expenditure Management in Health

[45] The World Bank noted in the February 2008 mission that the TESP grants program has operated more effectively in Tonga than anywhere else in the world where they have run similar programs.

4. Recommendations

1) Based on the above analysis it is recommended that AusAID enter into a design process with the Ministry of Health for a long-term (10 year) health program.

2) The program should have the dual objectives of:

- ensure GoT can deliver of community health services to a minimum standard

- continue support to health management, including planning, HR management, financial management.

3) The design should provide a management framework for all other AusAID support to the health sector, including existing twinning and PACTAM advisers and provide a platform for donor coordination (including AusAID regional activities). It should provide for the potential for other donors to also join the program. Any program should support the Paris Declaration of Donor Harmonisation.

4) Particular attention should be paid to monitoring and evaluation at an early stage in the program to ensure that aid effectiveness can be adequately measured and evaluated.

5) The role of Gender must be clearly identified in the design framework and M&E framework to ensure that adequate attention is given to gender specific issues.

6.) The design should build on gains in the previous health program and take into consideration the lessons learned, particularly around the need for flexibility and to support MoH management arrangements.

Annex 1 to Draft Concept Paper- Sector/problem analysis

Tonga Health System – WHO/WPRO Health
http://www.wpro.who.int/countries/ton/national_health_priorities.htm 27 Mar. 08

Ministry of Health's mission, vision and objectives
The Ministry of Health works in four programme areas: (1) policy formulation and administration; (2) preventive health services; (3) curative health services; and (4) dental health services. It had a total of 945 established posts in 2002, with an overall vacancy rate of 25%, making it one of the biggest employers in the country. Doctors normally train in Australia, Fiji or New Zealand, often on bilateral scholarships or WHO fellowships. Three-year health officer training courses are organized by the Ministry of Health when required. Nurses train at the Queen Salote School of Nursing in Tonga. On average, 30 nurses graduate each year from the basic nursing training programme. A decision has been made to increase the intake several-fold in order to make up for the continuous loss of nurses to Australia, New Zealand and the United States of America. The nursing school also runs a post-graduate certificate training programme in collaboration with the nursing department at the Auckland University of Technology, New Zealand. The first training programme in intensive care nursing started in 2005 and post-graduate training programmes in midwifery, internal medicine, surgery and public health have been offered in 2006-2007.

Organization of health services and delivery systems
Primary curative care and preventive services are delivered through a system of 14 health centres and 34 maternal health clinics. There are large variations in equipment, staffing and catchment populations depending on location but, on average, a health centre serves 7200 people and is typically staffed by a health officer and one to three nurses. There were 32 filled medical officer posts in 2003 (3.9 doctors per 10 000 population) to which should be added 18 filled health officer posts. In the same year, there were 342 filled nursing posts (33.7 nurses per 10 000 population). There are 13 dental officers and 10 dental therapists. The number of private providers is increasing, but the majority of private doctors remain government employees and run part-time private clinics, many out of their homes.

Patients requiring specialist care that is not available in Tonga can be referred to New Zealand under two treatment schemes, one funded by the Government of Tonga and one by the Government of New Zealand. The decision to refer is made on a case-by-case basis by the Medical Transfer Board. Specialist treatment teams in such areas as eye surgery, plastic surgery, corrective orthopaedic surgery and rheumatic heart disease visit Tonga regularly.

Health care financing
A 2003 household survey on health care expenditure showed that 89% of all health services were delivered by public hospitals and only 6.2% by health centres. The Government covers 45% of total expenditure on health, households 23% and donors 32%. However, when expenditure on traditional healers and international referrals is excluded, it becomes obvious that the Government covers the absolute majority of both curative and preventive care and that 'out-of-pocket' payments on health care are low. About 12% of the population have some kind of health insurance. The private sector is still small and consists mainly of traditional healers and after-hours practising government-employed doctors. About 14% of total expenditure on health is for traditional healers, although they are mostly paid in kind. Expenditure on drugs accounts

for approximately 7.8% of total expenditure on health. There is a health insurance system, but it covers only government employees.

Human resources for health

Government health services are provided free of charge and physical access to care is good for the majority of people, with the exception of small populations living on isolated islands. There are four hospitals in Tonga: the tertiary Vaiola Hospital in Nuku'alofa, with 191 beds; and three district hospitals, Prince Ngu hospital in Vava'u (61 beds), Niu'ui hospital in Ha'apai (28 beds) and Niu'eki hospital in Eua (16 beds). The overall bed occupancy rate is low, 34% in 2003, an indication that the hospital system is oversized and has not adapted to the changes in the disease pattern and to improvements in physical access. However, transportation between islands remains difficult and acute referrals to the tertiary hospital are uncommon, making centralization of services problematic. The four hospitals also serve the populations on their respective islands with primary health care and they all run busy outpatient and emergency departments. A major refurbishment of Vaiola Hospital, supported by a grant from the Government of Japan and a World Bank loan, commenced in 2005 and will result in a leaner hospital when it is completed in 2007.

Challenges to health system strengthening

The most critical question for the health system today is how to increase the resources available for health. Government health expenditure is about US$ 100 per capita per year and, given that this pays for free medical treatment and free drugs, it is fair to say that Tongans get a lot of value for their money. Around 10%-15% of the Government's total budget has been spent on health for the last two decades and it is unlikely that share will increase substantially in the future. Since government income is likely to grow only slowly in the coming years, there will be little space for growth in health sector spending within the current health financing system. At the same time, the pressure on the health system will increase with the increasing burden of non-communicable diseases and the ageing population. Identifying alternative sources for health care financing is thus one of the top priorities of the Ministry of Health. In December 2005, Cabinet approved the introduction of user fees. A decision has also been made to introduce social health insurance within the next three to five years. Initially it will cover civil servants, but the intention is to gradually include larger sections of the population. Tonga has achieved many of the health goals within its reach given the existing health spending level and the challenge now is to increase the resources for health promotion and health care without jeopardizing the health of poor and disadvantaged groups in the population.

The increase in non-communicable diseases (NCDs) has now reached epidemic proportions. In addition to human suffering, NCDs can have a negative impact on family economies. The loss of income due to disease and the cost of treating chronic conditions can put enormous strain on families and destroy years of work to improve a family's situation. Ultimately there will be a negative impact on the country's economic development as more resources have to be used for health care and productive and experienced middle-aged people in the workforce are lost to death and chronic illness. Identifying and implementing effective population-targeted preventive measures that can slow the increase of disease and, in the future, reverse the trend, are of the highest priority. The national multisectoral strategy for the control and prevention of non-communicable diseases, developed in 2003, is a sign that the Government takes the issue very seriously. There are plans to establish a Health Promotion Foundation with funding from dedicated taxation on tobacco and alcohol. Such a mechanism could provide crucial resources

for health promotion, an area of health that is currently heavily dependent on external support.

There is a recognized need to improve both the quality of and access to health care, particularly for non-communicable diseases, in view of the increasing burden of the ageing population. A large proportion of patients with diabetes and cardiovascular diseases remain undiagnosed and untreated. It is therefore a priority to both increase access to care and improve the quality of care for people with non-communicable diseases. This must include solutions for financing the treatment of chronic conditions and for increasing patients' knowledge of their condition and their responsibility for care. Active participation in treatment and patient empowerment are essential for successful treatment of chronic conditions.

There is a need to strengthen both the collection of information and the analysis and dissemination of health statistics for decision-making. The outcomes of investments in health care financing and prevention of non-communicable disease must be able to be evaluated so that strategies can be modified when needed. The information must be easily available, cheap and reliable, and should therefore be based on ongoing surveillance rather than repeated and costly surveys. A first step towards such a system is the strengthening of vital statistics on births and deaths, as well as a consistent hospital-based diagnosis registration system. The Government has already started important work in this area, but there is a need to strengthen the system of data collection as well as increase the capacity to process and interpret the information gathered. The Ministry of Health is expected to invest substantially in the area of health information in the coming years, partly with resources made available through a World Bank loan.

Statistics:

Total population: 102,000

Gross national income per capita (PPP international $): 8,040

Life expectancy at birth m/f (years): 72/70

Healthy life expectancy at birth m/f (years, 2002): 62/62

Probability of dying under five (per 1 000 live births): 24

Probability of dying between 15 and 60 years m/f (per 1 000 population): 126/201

Total expenditure on health per capita (Intl $, 2004): 316

Total expenditure on health as % of GDP (2004): 6.3

Figures are for 2005 unless indicated. Source: World Health Statistics 2007

Annex 2 to Draft Concept Paper - Lessons learned

The following are key recommendations and lessons learned taken from the Activity Completion Report.

Recommendations: The following are recommendations for future capacity development programs.

1. In a major management reform program, it is recommended that AusAID consider a minimum initial commitment of 5 years. It is not realistic to build capacity over a shorter period and uncertainty over future funding also undermines the objectives of projects which aim to embed new systems and behaviours.
2. If a project is delivered in a series of phases, more flexibility is required to ensure that unexpected delays in approval of subsequent phases and associated funding do not jeopardize the implementation and sustainability of project activities.
3. The activity is given sufficient flexibility to enable it to assist the implementing agency to respond effectively to emerging needs.
4. A major reform program should not be embarked upon without the full support and commitment of the implementing agency's executive team and key personnel in central agencies.
5. Where a project involves a series of phases spread over a significant period of time, advisor rates and procurement costs must be funded appropriately. This would ensure high-quality advisors are engaged during the life of the project and provide the opportunity to retain high-quality advisors and reward those that have shown an ongoing commitment to the project.
6. The MoH is now known to be one of the strongest departments in the GOT in terms of management capacity and efficiency. There is a great deal of commitment and motivation within the MoH and the health workforce and the environment is conducive to further significant gains in capacity development and health improvements, which could be realized through continued funding and support. Furthermore, given that health is essential to enable social and economic activity, ongoing support for the health sector continues to be important and it is recommended that funding and support be provided in the areas identified by the MoH.
7. Periodic reviews of the MoH should continue to be conducted each year to identify the further achievements of the MoH, assess sustainability of project activities, provide advice on issues within the original scope of the project, and make recommendations for further short term assistance as necessary.

Lessons Learnt: Below is a summary of the lessons learnt during the course of the project.

- Obtain a commitment to long term funding from the outset to allow long term planning and timelier implementation of activities.
- Adopt the right approach to introducing and institutionalizing change, which focuses on capacity building techniques and participatory management practices.
- Ensure the organisational culture supports the change process and where it does not, focus on changing the culture to one that does.
- Ensure that the basic management building blocks of financial, human resource and information management are in place to support reform initiatives.
- Identify appropriate long-term indicators, which are Ministry-focused and, where appropriate, measure health outcomes and monitor achievements against these on an ongoing basis.

- Allow time for introduced systems, processes and behaviours to become embedded
- Build in flexibility: start simple and go back to basics where necessary and proceed with implementation at a pace that facilitates sustainability.

The ICR identified the following lessons

a) *The project offers a good practice model for capacity development*. The Project Team had a very good understanding of organisational change and change management processes. By underpinning the Project's activities with the principles of effective change management they ensured that changes were grounded in local wants and needs (critical for local ownership) and implemented in a timeframe that reflected local absorptive capacity. The Project also demonstrated that effective capacity development requires a long term, ongoing commitment from both the GoT and donors.

b) The Project shows that *significant improvements are possible with strong local leadership and a responsive and competent technical team*. The Project also demonstrated that *good relationships, based on mutual trust and respect, underpin successful capacity development strategies.* Consequently, as time must be allowed for relationships to develop, short term advisers have a limited role to play in such projects.

c) The unrealistic scope of the initial design and the continuous need to provide support to bed down changes, demonstrates just how difficult it is to design and implement *realistic* capacity development projects. *Flexibility is essential.*

d) *Greater attention needs to be paid to monitoring and evaluation*. There should be good quality baseline data established at the start of the program and methods for tracking changes included from the beginning to allow the measurement of outcomes and/or impact. This is particularly important for capacity development activities which are notoriously difficult to evaluate.