Asia and the Pacific Policy Society Conference 2014

"Confronting the Pacific's Health Challenges"

…The Integrated Planning, Budgeting, Monitoring & Reporting Model…

"connecting the <u>missing links </u>between health planning, <u>health spending </u>and health outcomes"

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Presentation Outline

1. Health Planning - Dept of Health NH Plan (2011 – 2020) & Sub-National Plans (Development & Corporate Plans)

2. Developing Health Sector Annual Activity Plans or AAPs at Sub-National Levels of Gov't

3. Integrating & Linking the AAP into the Annual Budget

4. Facility Based Budgeting – spending where it matters

5. Annual Activity Plan & Budget Execution

6. Monitoring & Reporting Health Service Performance

7. Health Service Performance Evaluation & Feedback

8. Current DP Support & Interventions

1. Development Plans & Corporate Plans

1. **National Dept of Health National Health Plan (2011 – 2020)**
   - **NHP Consistent with 5 year Medium Term Dev Plan (PNG MTDP & MDG)**
   - **NHP sets out 8 Key Result Areas (KRA) & Programs**
   - **Development Partner (ODA) Buy-In & Entry Point**
   - **NHP sets out expected health service outcomes at each service delivery point – Sets out M & E framework**

2. **Current Situation & Challenges at Sub-National**
   - **Cascading different plans – different priorities between National, Provincial, District & LLG**
   - **Managing the NHP – needs strong leadership at all levels (National, Provincial, District & Facilities)**
   - **Still areas of uncertainty on health service outcomes – who is to perform what (function assignment)**
   - **Lack of aligning Corporate Management to Dev. Plans**
   - **DPs need greater alignment (DP to DP & DP to partner country)**

2. Developing Annual Activity Plans or AAPs

1. **Why Develop AAPs at Sub-National (Province, District & Facility)**
   - **AAP – the final process in planning**
   - **AAP – Critical link between all plans & the budget**
   - **AAP – an annual implementation strategy for <u>several plans</u>**
   - **A conduit to pool resources from all funding sources to collectively deliver health services**
   - **Identifies clearly health Programs/Activities & link to health service delivery centres for health fund appropriation**

2. **The AAPs Development Process**
   - **Ensure the Sub-National Health Sector Plans capture health priorities/outcomes as set out in the NHP**
   - **Identify key health sector Programs per the NHP (KRAs) cascaded into the Sub-National Plans – SECTOR WHEELS**
   - **Identify key Activities/Projects under each Health Program**
   - **Cost out each Activity/Project & identify funding sources to fund the Activity (Gov't, private (CHS) & <u>DPs</u>)**
   - **Identify where each Health Program & Activity to be delivered**

2. Developing Annual Activity Plans or AAPs Con't…

3. **Current Situation & Challenges at Sub-National**

- **AAP Development - huge challenge due to lack of skills**
- **Annualizing & costing a multi-year plan is difficult**
- **Conflicting priorities & health outcomes from different plans (national development, provincial development & corporate plans, District & LLG Plans)**
- **AAP DP driven – isolated from partner country systems**
- **Activity cost of delivering health services not available**
- **Lack of differentiating between Programs & Activities**
- **Lack of clearly identifying Health Programs & Activities**
- **Dev. Partners – major partners require alignment**
- **Other partners – CHS (47%) not part of the AAP process**

3. Integrating AAP into the Annual Budget

1.   **Annual Budget Framework & Structure – key link**

   - **Budget Structure needs to be consistent with where services (health Programs & Activities) are to be delivered based on Health Sector Plans**

   - **Clearly assign each Program & Activity to each health service delivery Cost Centre (Province, District or Health Facility)**

   - **Chart of Accounts – Assign specific Chart of Account to each Program & Activity – include Facilities**

   - **Identify available resources (all sources) and appropriate funding to each Program & Activity**

   - **Identifying funding gaps: Cost of Health Service minus Available Funding – Possible DP interest**

2. **Current Situation & Challenges at Sub-National**

- **Budget Structures are inconsistent – some are provincial focused, some district focused**

- **Chart of Accounts inconsistent – difficult to track expenditure against health outcomes**

- **Pool Funding – funding pooled at province or district & creates unhealthy competition**

- **Dev. Partner resource envelop not part of budget – distorts the AAP and service delivery monitoring**

- **Health spending inconsistent with desired health outcomes – no facilities in the budget**

- **Discretionary budgeting – parking large funding under general expenditure for abuse – (item 135)**

4. Facility Based Budgeting

1. **Identifying Health Programs & Activities Delivery Point – At National? At Provincial? At District? LLG or at the Facility?**

   - **Service Delivery point = Cost Centre = Chart of Account = Fund Appropriation = Health Expenditure = Health Outcome**

2. **Why Facility Based Budgeting**

   - **NHP targets key health outcomes at facilities**

   - **NHIS produces health outcomes at facilities (SPAR)**

   - **Sub-National provide 90% of primary health care**

   - **Facilities provide 90% or more of primary & curative health care**

   - **Political dynamics at Sub-National Gov't target facilities (SIP 20% health sector allocation)**

3. **Current Situation & Challenges at Sub-National**

- **Prior to 2011 – no facility based budgeting**

- **After 2012, only 3 out of 22 provinces have facility based budgeting**

- **Positive improvements in these 3 provinces**

- **National Gov't's Free Health Care & Subsidized Specialized Health Care Policy – unable to implement effectively due to no facility budgeting**

- **Health Sector struggling with the Political Dynamics and Development Funding (SIP) shift to Sub-National levels of Gov't**

- **Pooling of funding – distorts AAP implementation**

5. Annual Activity Plan & Annual Budget Execution/Impl

1. **Annual Activity Plan & Budget Execution**

   - **Scope out Programs & Activities for implementation**

   - **Procurement management (tenders & quotations)**

   - **Mobilize known Resource per AAP**

   - **Manage expenditure based on Appropriation**

3. **Current Situation & Challenges at Sub-National**

   - **Funding availability – challenge to health service delivery**

   - **Late Spending in last Qtr – 40% – 50% spending in Qtr 4**

   - **Roll-over funding 8 provinces had 20% - 40% unspent HFG**

   - **Funds Parked at Prov & District – not hitting facilities**

   - **First Come – First Serve practice – unhealthy for health service delivery**

   - **Lack Strong PFM Mgt at Nat → Prov → Dist → Facility**

   - **DP funding – parallel to country system (Advantage/Disadv)**

6. Monitoring & Reporting Health Service Performance

1. **Health Service Delivery Management**
   - **Must provide strong leadership - supervisions at all levels**
   - **Existence of an effective institutionalized health service delivery monitoring process at all levels**
   - **Health AAP implementation progressively monitored & reported at all levels**

2. **Community Based Monitoring**
   - **Decentralized Service Delivery system requires effective Community Based Monitoring**
   - **Establishment of District/Facility Management Committees**

3. **Health Sector Reporting**
   - **Sect 114 (Financial) Vs Sect 119 (Physical) Reporting**
   - **NDoH NHIS – Facility based Expenditure reporting critical – links resource allocation with health outcome/indicators**
   - **Sector Performance Annual Review (2012) – Must target SIP & influence policy**

3.   **Current Situation & Challenges at Sub-National**

- **Health sector lacks effective leadership & supervision in monitoring health Programs & Activities progressively**

- **Sub-National health lacks effective PFM Mgt – strong leadership with Good Management skills required**

- **Collective progressive monitoring at all levels require improvement**

- **Reporting is Compliant Reporting – not Demand driven**

- **No Community Based Monitoring**

- **District/Facility Management Committees – none existence (Like Education – School Boards)**

- **Sector Performance Annual Review (2012) – Not targeting Political Dynamics - SIP**

7. Evaluating & Feeding Back Health Service Delivery
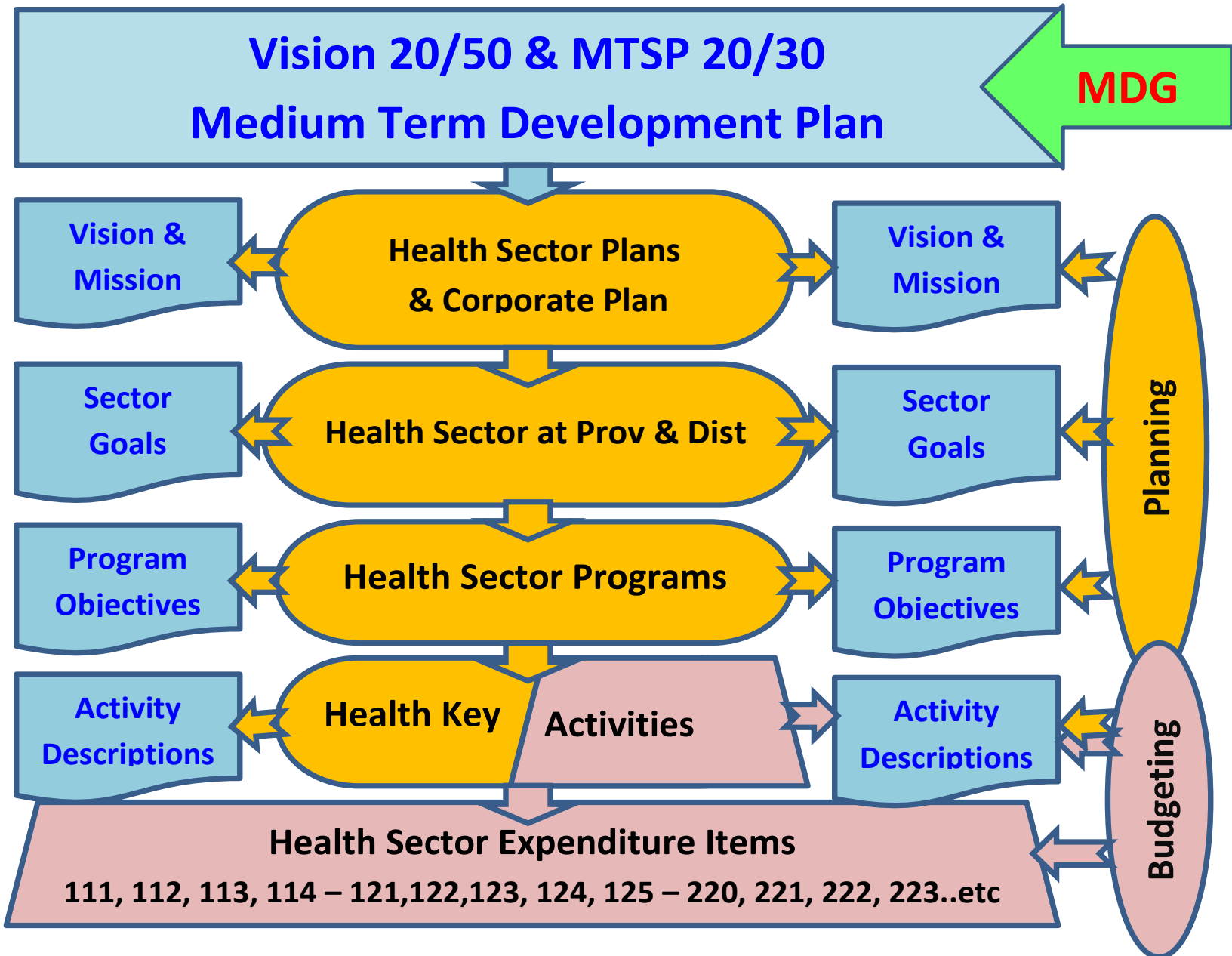
1. **Health Sector Performance Evaluation**

   - **Performance Assessment & Feedback – a Management Tool at all levels of health service delivery**

   - **Keeping all stakeholders informed – progressively**

   - **Matching health physical outputs & outcomes against financial inputs**

   - **Performance Evaluation – the basis for subsequent AAP & budgeting development & future policy direction**

   - **Sector Performance Annual Review (SPAR) – not a tick off but a health advocacy tool at all levels**

7. Evaluating & Feeding Back Health Service Delivery

2. **Current Situation & Challenges at Sub-National**

- **NDoH Sector Performance Annual Review Assessment (SPAR) - Latest 2012**

- **SPAR – not used as a management tool**

- **SPAR results – not directly matched to health expenditure**

- **SPAR results lacks diagnostic review to identify PFM issues affecting SPAR results**

- **SPAR results not promoted at Sub-National levels**

- **No Institutionalized Self-Assessment & Feedback at all levels of service delivery – facility → district → province → Happens at National only - NHAC**

Integrated Planning & Budgeting Model – the missing links

Vision 20/50 & MTSP 20/30

Medium Term Development Plan

MDG

Vision & Mission	Health Sector Plans & Corporate Plan	Vision & Mission
Sector Goals	Health Sector at Prov & Dist	Sector Goals
Program Objectives	Health Sector Programs	Program Objectives
Activity Descriptions	Health Key	Activities	Activity Descriptions

Planning

Budgeting

Health Sector Expenditure Items

111, 112, 113, 114 – 121,122,123, 124, 125 – 220, 221, 222, 223..etc

8. Current Interventions Targeting Sub-National

1. **2006 – 2013 Sub-National Strategy (SNS) Program supported by DFAT (formerly AusAID)**
2. **2014 - 10 Province Rapid Assessment Completed**
3. **DFAT Technical Advisory Placement - Current**
   - **National Agencies – Dept of Treasury & Department of Finance (Custodians of PFM Systems)**
   - **Sub-National Government – Provinces & Districts**
4. **Roll-out Integrated Planning, Budgeting, Monitoring & Reporting Model to Provinces & Districts:**
   - **Health Expenditure to match Health Outcomes**
   - **Health Programs & Activities directly linked to Budget & PFM – integrating planning & budgeting**
5. **Review Sub-National Chart of Accounts**
6. **Facility Based Budgeting – rolled out to all provinces**
7. **DPs – Consider Strengthening Health Service Delivery Systems**

The End

Change….

"There are some things we all cannot change, there are many things we all can influence to change, and still there are many ways we all can identify to begin the change process"

Thank you !!!!