20th October 2011

Ministry of Health & Population

NHSSP

Workshop to Review the Governance & Accountability Action Plan (GAAP)

Report Outlining Workshop Findings

Strengthening Health Systems-Improving Services

CONTENTS

ACRONYMS

AWPB	Annual Work Plan and Budget
BEOC	Basic Emergency Obstetric Care
CB-IMCI	Community-Based Integrated Management of Childhood Illnesses
COEC	Comprehensive Emergency Obstetric Care
DHO	District Health Office
DHS	Demographic and Health Survey
DOHS	Department of Health Services
D/PHO	District Public Health Office
DSF	Demand Side Financing
DUDBC	Department of Urban Development and Building Construction
e-AWPB	Electronic Annual Work Plan and Budget
EAP	Equity and Access Programme
EDP	External Development Partner
EHCS	Essential Health Care Services
FM	Financial Management
FMIS	Financial Management Information System
FY	Fiscal Year
GAAP	Governance and Accountability Action Plan
GBV	Gender-Based Violence
GESI	Gender, Equity and Social Inclusion
GON	Government of Nepal
HF	Heath Facility
HFMC	Health Facility Management Committee
HIIS	Health Infrastructure Information System
HMIS	Health Management Information System
HP	Health Post
HR	Human Resources
HSIS	Health Sector Information System
HSRU	Health Sector Reform Unit
HuRIS	Human resource Information System
IPR	Interim Progress Report
JAR	Joint Annual Review
LMD	Logistics Management Division
LMIS	Logistics Management Information System
M&E	Monitoring and Evaluation
MD	Management Division
MIS	Management Information System
MOF	Ministry of Finance
MOHP	Ministry of Health and Population
MPPW	Ministry of Physical Planning and Works
MTEF	Medium Term expenditure Framework
NGO	Non-Governmental Organisation
NHSP-II	Nepal Health Sector Programme II
NHSSP	Nepal Health Sector Support Programme
NPC	National Planning Commission
NPO	Non-profit Organisation
O&M	Operation and Maintenance
OAG	Office of Auditor General

OBB	Output-Based Budgeting
PAM	Physical Assets Management
PHA	Public Health Administration
PHC	Primary Health Care
PPICD	Policy Planning and International Cooperation Division
PPP	Public-Private Partnership
QA	Quality Assurance
RH	Reproductive Health
RHD	Regional Health Directorate
SHP	Sub-Health Post
SOP	Standard Operating Procedure
SPA	Service Provision Assessment
STS	Service Tracking Survey
VDC	Village Development Committee

EXECUTIVE SUMMARY

A half-day workshop to review the Nepal Health Sector Programme II (NHSP-II) Governance and Accountability Action Plan (GAAP) was held on 20 October 2011. The workshop was attended by government and External Development Partner (EDP) representatives. The objectives of the workshop were to discuss and identify challenges and opportunities in monitoring the progress of the GAAP, through: facilitating a common understanding of the implementation of the GAAP; reviewing and rationalising the activities and indicators; discussing information collection processes, tools and responsibilities; and identifying a coordination mechanism within the ministry for monitoring and reporting the GAAP. The focus of this workshop shifted away from the original plan to concentrate on the Monitoring and Evaluation (M&E) of the GAAP: the workshop was developed to be a consensus-building exercise to build cross-sectoral support for reviewing and revising the GAAP as a whole.

This report summarises the discussions from the workshop, including issues raised in the lead up to the workshop, some suggested revisions to the GAAP, and reflections and recommendations for moving forward. This document is intended to aid future discussions in reviewing and revising the GAAP, rather than to present an agreed revised plan.

There are concerns from EDPs and government about the content of the GAAP, and the difficulties in monitoring its implementation, progress, and impact. From a monitoring perspective, the indicators are sometimes unclear or inappropriate for measurement, and stated data sources are often unsuitable. The cross-cutting nature of the GAAP activities complicates the collection of monitoring data and there is a lack of clarity within the Ministry of Health and Population (MOHP) over roles and responsibilities for collecting the required data. There are also feelings that the GAAP activities need to be reviewed.

The main outcome from the workshop was the development of a shared consensus across all EDPs and government that the activities, indicators and data sources for the GAAP need to be reviewed and revised to assist the implementation and monitoring of the GAAP. The extent of the changes required made it difficult for workshop participants to undertake a thorough review of the framework and for a revised plan to be developed during the workshop. However, the feedback that was received has been collated in this report. It was proposed by Dr Babu Ram Marasini (Chief of Health Sector Reform Unit (HSRU), MOHP) that a joint government and EDP task force be convened to take this forward and to be responsible for the development of new tools.

Recommendations are as follows:

- It would be beneficial to define clearly the purpose of the GAAP. Currently it does not assist in implementation or monitoring, yet also contains too much detail to be a high-level strategic plan.
- The GAAP could be revised into a high-level strategic document. An associated implementation plan could detail operational activities, possibly reviewed annually. Annual monitoring plans could fit alongside this implementation plan and be aligned to current reporting cycles to help reduce duplication and overlap.
- The original seven overarching GAAP objectives could be collapsed into five proposed new objective headings. The original objectives overlapped and sub-objectives were misplaced. It is recommended that these be used as a basis for future revisions to the GAAP.
- There is a crossover between activities and indicators, with indicators often presented as targets or activities, while many activities are one-off foundational activitiesthat are not suitable for ongoing monitoring.

- Activities are a mixture of high-level and operational, complicating implementation purposes and indicator development. Activities could be divided into high-level strategies and operational activities.
- Steps need to be taken immediately to assemble and activate the proposed joint task force as soon as possible given that it is proposed that the revised GAAP be presented to the Joint Annual Review (JAR) in January 2012, with a pre-JAR meeting in December 2011. A progress report is required for the JAR; since the new GAAP will not be available in time, it would be useful to agree a set of priority activities to report against for the JAR.
- There is a need for a focal unit to oversee and coordinate the implementation and monitoring of the GAAP.

Section 1 - Context and background

A half-day workshop on the Nepal Health Sector Programme II (NHSP-II) Governance and Accountability Action Plan (GAAP) was held in Lalitpur on 20 October 2011. The workshop was attended by 43 government and External Development Partner (EDP) members (see Annex 1 for a list of participants, and Annex 2 for the agenda). The objectives of the workshop were to discuss and identify challenges and opportunities in monitoring the progress of the GAAP, through:

- facilitating a common understanding of the implementation of the GAAP,
- reviewing and rationalising the activities and indicators,
- discussing information collection processes, tools and responsibilities, and
- identifying a coordination mechanism within the ministry for monitoring and reporting the GAAP.

However, given that there are a number of concerns about the GAAP document as a whole, the outputs from this workshop are relevant to the wider development and implementation of the GAAP, not just Monitoring and Evaluation (M&E) (see Annex 3 for a copy of the original GAAP).

This document should be used as a discussion document for the future development of the GAAP. It summarises the workshop discussions, and issues raised about GAAP in the lead up to the workshop. Recommendations for next steps are also provided.

1.1 Background

The current context of the GAAP

At the Joint Annual Review (JAR) in January 2011, it was agreed that a tracking tool to monitor the progress and implementation of the GAAP against the indicators be developed. This tool is yet to be created. Annual progress reports are to be submitted to the JAR for their review and approval; the Health Sector Reform Unit (HSRU) is responsible for coordinating the review process. The Joint Consultative Meeting, held in June 2011, approved the budget for implementation of a set of priority GAAP activities (see Annex 4). The meeting also recommended that the GAAP document should be dynamic and reviewed on a regular basis to respond to the changing demands.

Multi-agency and sector engagement

Discussions held in the development of the workshop noted that GAAP is a cross-cutting document, and implementation will require collaboration between different government ministries (e.g. Ministry of Health and Population (MOHP), Ministry of Finance (MOF), Ministry of Physical Planning and Works (MPPW), the National Planning Commission (NPC), Ministry of Local Development). There is a strong feeling that while the role of MOHP is important in leading the GAAP, it is essential to get involvement from other government partners to agree roles and responsibilities for implementing activities. In addition to MOHP, there was representation from the MPPW, the NPC, the Office of the Auditor of General Finance and EDPs.

The cross-cutting nature of the GAAP activities means that information on progress needs to be reported by a range of different sources. There is no overarching system to coordinate data collection across the different sectors, partners and levels. Furthermore, there is a lack of clarity within MOHP over roles and responsibilities for collecting the required indicator data.

Reviewing the overall content of the GAAP

Government partners feel that many of the activities described in the GAAP should be reviewed; and a pre-workshop review of the GAAP supported this idea (see below). During the development of NHSP2, an action plan on GAAP was developed. Since then, important issues such as e-bidding have become mandatory, making it necessary to change the GAAP plan of action. This led to the workshop focus being shifted away from the M&E of the GAAP towards a consensus-building approach to build cross-sectoral support for reviewing and revising the GAAP as a whole. Given the potential changes to activities, it is difficult to focus on the M&E aspect, which involves adapting or developing the indicators that will monitor the activities, and consequently reporting on the progress.

1.2 Pre-workshop review of the GAAP

A brief review of the GAAP was undertaken prior to the workshop, and discussions on the context, implementation to date, and the efforts to monitor progress were held with MOHP representatives, namely the Chief of the Policy Planning and International Cooperation Division (PPICD), the Chief of the HSRU and the Chief of the Public Health Administration and Monitoring and Evaluation Unit. The review raised a number of concerns about the content of the GAAP that would impact upon both the implementation of activities and monitoring progress:

- Some activities are difficult to interpret, since concepts are vague or undefined.
- Some activities are considered too ambitious, or beyond the control of MOHP.
- A number of indicators are unsuitable for measurement. Many of the indicators just provide additional detail on the activities, rather than defining what is required to demonstrate evidence of progress.
- Other indicators are high-level or outcome indicators; there were very few process indicators. Being able to assess progress towards the objectives (e.g. through process indicators) is particularly important given the long-term scope of the some of the GAAP objectives.
- In some instances, the sources of data relied on for providing the evidence against these indicators are either undefined or not currently available.
- Reporting time and the frequency of reporting are poorly defined.

There are concerns that in the development of the GAAP the burden that this reporting would place on the system was not adequately considered, and that limited consultation with the government in the development of the GAAP contributed to some of the difficulties in implementation and monitoring. Securing greater consultation with those involved in the implementation and monitoring will generate a more realistic GAAP document.

1.3 Monitoring & Evaluation of the GAAP

Given this lack of clarity regarding progress and the difficulties in implementation, the M&E of the GAAP is extremely important. A clear M&E framework would allow greater insight into the difficulties and challenges encountered in the implementation of the GAAP. In turn this would provide the platform for discussions about how to overcome these difficulties and to ensure effective implementation of the GAAP.

Reporting progress against the current set of JAR indicators is difficult as the indicators and data sources within the GAAP are often unclear or unrealistic. The progress report submitted to the JAR

at the end of 2010 highlighted the difficulties in compiling evidence against these indicators. Much of the progress report was commentary, and provided a limited objective assessment of progress; a short extract taken from this report is provided in Annex 5 for reference purposes.

It would be easier to assess progress if activities were refined and a more practical set of indicators developed.Given the lack of clear measureable indicators and clarity of roles, the task of providing monitoring data is further hampered by the frequency of tracking or reporting stipulated in the GAAP. The GAAP, in its current state, places an immense reporting burden on those responsible for its implementation owing to the regularity of reporting that is required.

Section 2 - GAAP workshop

There were 21 participants from government, and 22 from EDP organisations. The workshop was chaired by Dr Bal Krishna Suvedi (Chief, PPICD, MOHP), and co-ordinated by Dr Babu Ram Marasini (Chief, HSRU, MOHP).

The workshop participants were divided into three groups to review the GAAP objectives. Participants were asked to join the working group most relevant to their field of expertise or interest. The GAAP objectives were divided into two sets for the groups to review; these sets of objectives are broadly summarised as:

- Financial management, procurement, and asset management
- Implementation and institutional capacity, environment, and social equity and inclusion

Two groups covered financial management, procurement, and asset management, and one group covered implementation and institutional capacity, environment, and social equity and inclusion. The groups were asked to review their assigned GAAP objectives and consider the following questions while doing so.

1. Are the activities and indicators useful in helping to achieve and measure progress within the objective?
2. Do any of the indicators need rewording?
3. What data are available, or might be required, to assess progress against the indicators?

Groups fed back key discussion points to the workshop, and participants were also given the opportunity to raise any other concerns and to discuss possible next steps in taking these discussions forward.

Section 3 – Recommendations

This section presents the recommendations from both the workshop, the process of reviewing the GAAP, planning the workshop, and collating the workshop feedback.

3.1 Overarching changes and discussion points

Restructuring the objectives

During the development of the workshop it was agreed that the seven overarching GAAP objectives were based on poor distinctions, with significant overlap between some, and some sub-objectives were misplaced. To assist in the division of workshop group tasks these objectives were collapsed into five objective headings.

Table 1 shows how the original objectives have been restructured under the five new objective headings. Additional detail of how the original sub-objectives fit under the proposed new objective headings is provided in Annex 6.

Table 1: Original and revised objectives

New Objective	Original Objectives
Objective 1: Financial management	• Objective 4: Financial management • Objective 2:Stakeholder • Objective 1: Sector governance / enabling environment (one of two variables)
Objective 2: Procurement and asset management	• Objective 5: Procurement • Objective 4: Financial management (one of seven variables)
Objective 3: Implementation and institutional capacity	• Objective 3: Implementation capacity / institutional capacity
Objective 4: Environment	• Objective 6: Environment
Objective 5: Social equity and inclusion	• Objective 7: Social/ equality access and inclusion • Objective 1: Sector governance / enabling environment (one of two variables)

The new objectives have been utilised in the revised GAAP framework presented in this document, and it is recommended that they be used as a basis for future GAAP development.

By dividing the GAAP into these more appropriate thematic objectives it will be easier to bring in technical support as necessary. This will assist in further reviews and revisions of the GAAP, and in defining more suitable activities.

Changes to the GAAP

Table 2contains a revised GAAP incorporating the comments and changes recommended by the workshop groups. These changes have been summarised in Annex 7; the original objective numbers

are provided in the left-hand column for ease of reference between tables. Additional suggestions for change are provided for further discussion in the joint task force in the shaded column on the right-hand side of Table 1.

An agreed purpose of the GAAP

Some of the content of the GAAP is inconsistent and serving different purposes. There is crossover between the activities and indicators, and the 'expected results' often provides more detail on the objectives. The indicators are often presented as targets or activities. Many activities are one-off foundational activities (such as developing plans etc.) and the target dates by which these are set to be achieved have passed. This leaves no further activities or associated indicators that will assist in monitoring their progress and on-going implementation.

There would be a clear benefit in clarifying the purpose of the GAAP framework. In its current state it is not a document that will assist in implementation or monitoring; an implementation plan and a monitoring framework would need to be developed to achieve this. On the other hand, the current GAAP also contains too much detail to be a high-level strategic plan. Ideally, the GAAP should be an overarching strategic document, and the detail of implementation activities would be provided in an annual implementation plan.

Clarifying and refining activities

The GAAP document describes many activities through which the objectives will be achieved. However, some of these activities are high-level and some are more operational. While both sets need to be described, the mix of these activities is confusing for implementation purposes and the development of the associated indicators.

One possible solution for this could be to divide the activities into two categories: high-level strategies and operational activities. High-level strategies could be described in detail within the GAAP; the operational activities could then be developed through the GAAP implementation plan, or by the team responsible for implementing the strategy.

3.2 Next steps

Reviewing activities and indicators

The main achievement of the workshop was the broad consensus of the need to review and revise the GAAP, and the proposal to develop a joint task force to address this. The workshop groups gave good feedback on the GAAP activities and indicators, but it is difficult to review and revise the GAAP in detail in a short time and with little preparation. Furthermore, it is difficult to develop the indicators when the activities are undecided or unclear. Therefore the activities and indicators presented in the GAAP framework still need to be thoroughly reviewed.

Developing the structure of the GAAP

It is recommended that the GAAP be developed into a high-level strategic plan, defining broad strategies to achieve the objectives. One unit should be responsible for delivering this (such as the PPICD, MOHP) through the collaborative working of the joint task force. With an agreed strategic GAAP, expert working groups (based around the restructured objectives) can develop annual implementation plans with detailed activities without the need for wider involvement.

An associated implementation plan with detailed operational activities and a monitoring framework could be developed under a strategic GAAP. The implementation plan could be reviewed and revised

on an annual basis, taking into account progress in the previous year, priority activities for the following year, and any changes or challenges that have been identified.

Annual monitoring plans can be developed around this implementation plan to assess progress towards those objectives and achievement of the strategies. These annual plans should be aligned to current reporting cycles to reduce duplication of effort within an already heavy reporting burden.

Given the amount of detail in the GAAP it is difficult to review and revise through broad forums; however, the importance of the document means that many partners need to be involved in the process. This proposed structure would overcome this issue and allow for a more efficient revision of the GAAP.

Joint task force to review and revise the GAAP

Revising the GAAP requires cooperation between government and EDPs, and the collaboration of a range of different experts at the operational level. It is recommended that work on the GAAP starts as soon as possible. At the workshop the next steps for revising the GAAP were discussed. Dr Babu Ram Marasini (Chief of HSRU) proposed to assemble a joint task force of government and EDPs to revise the GAAP. Post-workshop discussions on the joint task force have indicated that the group will be made up of three or four representatives from government and EDPs. The remit will be to review the GAAP as a whole and establish responsibilities for collecting data and reporting against the indicators. A subcommittee will be formed to focus specifically on the financial management element of the GAAP.

GAAP and the JAR 2012

Dr Babu Ram Marasini proposed that the joint task force would present the reviewed GAAP framework at the JAR in January 2012. However, concerns were raised that if the JAR is to review and endorse the amended GAAP, then the GAAP progress report (also due at the JAR in January) will have to be based upon the original GAAP. Another issue raised was that any changes to the GAAP would need to be documented and presented to the pre-JAR group in December 2011, making it a tight timeframe within which to work. This discussion regarding what should be presented at the JAR was unresolved in the workshop.

Table 2: Proposed revisions to the GAAP (See Annex 3 for the original GAAP, new changes are in italic)

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
	1	**Financial Management (FM)**						
1.1	**1.1**	**Move towards output-based budgeting by revising** Annual Work Plan and Budget **(AWPB) through Medium Term Expenditure Framework (MTEF)**	• *Framework guidelines to be developed and discussed in the JAR by 12 January 2012* • Pooled funding partners to provide indicative commitments by 31 January of each year • Output-Based Budgeting (OBB) to start from Fiscal Year (FY) 2012/13	MOHP, NPC, MOF EDPs	• Output-based budget prepared from FY2012/13	Every trimester with Interim Progress Report	Budget allocated based on results and posted on MOHP website	Change objective name: • 'Move towards output based budgeting', and have 'revising AWPB through MTEF' included in the activities Add indicators: • Development and acceptance of OBB framework and guidelines • Commentary of activities undertaken to move towards OBB
			•		•			
2.1	**1.2**	**Ensuring periodic performance audit**	• Identification of key aspects to be covered in the Performance Audit of the NHSP2Implementation Plan by MOHP/Department of Health Services (DOHS) with close coordination with the pooled partners and Office of the Auditor General (OAG) • *Process and focus of performance audit agreed by partners and OAGF by 29 February 2012* • *Performance audit undertaken in FY 2012/13 and FY 2014/*15 • Timely advance of discussions on how the performance audit can supplement regular on-going processes • Public and social audits to feed into performance audits	MOHP, DoHS, EDPs, OAG	• Key issues identified (in relation to performance of districts and thematic areas against the programmes' overall goals and objectives)	Two performance audits during implementation period (on average, one audit every two years)	Results are independently evaluated and corrective actions taken for any reported deficiencies	Add indicators: • Agreement of performance audit focus and process • Performance audit undertaken once in last two years • Public and social audits undertaken

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
4.1	**1.3**	**Adequate and timely FM at central, regional, district and health facility levels**	• Timely preparation and submission of trimesterly FM reports covering all programme activities and all districts • Establish a computerised system for accounting and reporting at MOHP and District Health Offices (DHOs) with networking facilities between them • *Software for integrated system(web-based transactional accounting system) to be developed and piloted in 10 districts by FY 2012/13* • *Link physical data (HIIS) and financial progress (FMIS) using a uniform coding system*	MOHP, DP/OHS, RHD, DP/HO	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the programme in a prescribed format (including photos submitted through HSIS)	FM reports on trimesterly basis Annual consolidated FM report	Reports submitted within the stipulated timeframe Financial statements of NHSP2 prepared through the Financial Management Information System (FMIS) DHOs networked with DOHS and MOHP for the Management Information System (MIS)	Add indicators: • Integrated computerised system developed and implemented • Review the role of RHD
4.2	**1.4**	**Timely fund release to health facilities**	• Provide adequate and timely support to districts to submit AWPB • Put in place a clear system of norms and procedures for appraisal of plans and approvals of budgets • *30% of annual budget released in the first trimester in 2012/13* • Implement a fund-flow tracking system developed in software	MOHP, DOHS, RHDs DP/HOs, Management Division (MD)	• Number of districts undertaking stakeholder consultations for plan preparation and budget approvals • Share of annual budget released in the first trimester by DOHS • Share of health facilities getting grants within one month after the beginning of FY • Implementation of fund-flow tracking system • Absorption rate of committed funds for the health sector (at least 85%)	November/ December JAR Three times a year	Timely availability of funds at health facilities	Add indicators: • Implementation of system for appraisal of plans and approval of budgets • Review the role of RHD
4.4	**1.5**	**Update financial regulations for hospitals and for management committees**	• Update financial regulations for hospitals • Update financial regulations for management committees	MOHP DOHS	• Acceptable financial regulations prepared for hospitals and management committees	By December 2012	Transparent financial regulations for hospitals and management committees	WORKGROUP COMMENTS – EDPs suggest financial regulations should be prepared by next JCM meeting
4.5	**1.6**	**Operating procedure made transparent for non-state partners/NGOs**	• Prepare act/regulations for non-state partners/NGOs • *Develop guidelines for non-state partners/NGOs involved in health sector*	MOHP DOHS	• A separate working modality developed for non-state partners/NGOs involved in the health sector	By December 2011	Transparent procedure available for the engagement of non-state partners and NGOs	

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
4.6	**1.7**	**Adequate funds ensured for Operation and Maintenance (O&M) of medical equipment and hospital buildings**	• Include at least 2% of budget for O&M in the AWPB for O&M of medical equipment and hospital buildings • Monitor the O&M expenditures • *Include at least 15% of the total budget of purchase of biomedical equipment for installation, distribution and transportation to districts and health facilities* • *Include at least 5% of funds allocated to the procurement of new equipment and new civil works for O&M* • *Contracting out of private sector institution for repair and maintenance of equipment in all levels of health facilities in two regions (mid- and far west) through support from KfW, the whole process owned monitored and endorsed by Management Division MD* • *For three regions, biomedical units to be established at the regional level for repair and maintenance work of equipment by LMD in conjunction with KfW* • *Budget released to each district for repair and maintenance of infrastructure to be made transparent through Health Infrastructure Information System (HIIS)* • *System of estimating the repair and maintenance work and endorsing the completion of work in the district for any repair and maintenance work by 'A' class engineers/architects registered at Nepal Engineering Council working with government technical entities in the district to be made compulsory*	MOHP, MOF, pooled partners, Logistics Management Division (LMD), MD	• Proportion of the budget ensured for O&M	Annual Review during joint reviews	Adequate funds ensured for O&M	Add indicators: • Average proportion of biomedical equipment budget used for the installation, distribution and transportation of equipment to districts and health facilities (target 15%) • 3% of the civil work budget and 5% of the equipment budget is allocated to O&M • Proportion of repair and maintenance equipment contracted out to private institutions (in mid- and far west regions) • Budgets for repair and maintenance of infrastructure are available through HIIS • System for estimating repair of maintenance work developed and implemented
4.7	**1.8**	**Taking prompt action on audit irregularities**	• Form an audit irregularities clearance committee • Reduce the irregularities to less than 20% every year • *Develop action plan to rectify the issues identified through the audit processes*	MOHP	• Percentage reduction in audit irregularities • Action plan for all preceding years developed and implemented by 15 November 2011	Annual Review during joint reviews	Financial discipline in the sector improved	Add indicators: • Audit irregularities clearance committee formed • Percentage of audit irregularities • Time from observation of audit irregularities to the implementation of action plan

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
	2	**Procurement and asset management**						
5.1	**2.1**	**Procurement at central and district levels**	• Consolidated annual procurement plan with estimates (including goods, works, services for the whole ministry regardless of financing source) made available to all interested parties six months before the beginning of the fiscal year on the LMD website • Training for strengthening procurement capacity at central and district levels • *DoHS engage procurement support from LMD for NHSP2 implementation* • Revise procurement policy and guidelines for MOHP • Revise logistics management policy and guidelines • *A sound Quality Assurance (QA) system, including pre-shipment according to the sensitivity, volume and origin of item, and compulsory post-shipment for all, is in place at central and district levels to monitor the quality of procured drugs* • Local capacity is enhanced at district level to comply with QA • *Procurement progress reporting able to monitor delays and whether re-bidding has to be undertaken owing to a lack of bid submissions, or had to be postponed with a justification note added to the request for a 'no objection' letter to the World Bank.*	DOHS/LMD, EDP Regional medical stores Department of Urban Development and Building Construction (DUDBC)	• Approved consolidated procurement plans • Procurement training reports (training sessions provided and received per year, by DHOs, DUDBC officials, cost centres) • Revised updated standard bidding documents, policies and guidelines developed and used • Pre-shipment reports available as required and post-shipment reports available for each procurement case • Performance audit in place for items/drugs supplied; positive report by performance audit • Decreased number of rejections at both central and district levels (observed through a random post-shipment inspection which is conducted in each case	Annual procurement plan Progress reports as per the consolidated procurement plan every trimester in Government of Nepal (GON) and World Bank format Annual	Transparent procurement with value for money in place. Good quality drugs and equipment; quality services purchased and good quality buildings constructed	

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
5.2	**2.2**	**Timely availability of drugs, equipment and supplies**	• Adopt multi-year framework contracting for essential drugs, commodities and equipment by 31 August 2010 • Amend Drug Act and give Nepal Drug Research Lab independent status • Introduce e-procurement • *Adopt contracting out of distribution and transportation of health commodities based on Logistics Management Information System (LMIS) from district to health facilities* • *Monitor DUDBC works on timeliness, quality and standards, and coordination with DOHS's concerned divisions* • *LMD/districts to initiate e-bidding by second trimester this fiscal year (2011/12)*	MOHP, DOHS/LMD, DUDBC	• Percentage of health facilities with reduced stock outages of tracer drugs (list of tracer drugs not yet defined). (Data source: quarterly LMIS data) • Number of successful multi-year contracts per year, by equipment, drugs and commodity contracts • Autonomous status of Nepal Drug Research Lab, independent from MOHP • Existence of e-procurement	November/ December Joint Review Once a year	Year-round availability of health commodities in health facilities for Essential Health Care Services (EHCS) Delivery of essential drugs well planned, and distribution timely, so that expiry and outages of stock at health facilities are minimised E-procurement in use	Add indicators: • Multi-year framework contracting processes adopted for essential drugs, commodities and equipment • Timing and availability of annual procurement plan, through website • Commentary on moves to introduce e-procurement • Proportion of procurement processes conducted through e-procurement processes

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
4.3	**2.3**	**Improve the quality of asset management**	• Regular updating of inventory of all assets under its use by physical stocktaking and reconciling the result with records • *Strengthen LMD's Inventory Management System at central, regional and district levels and link to web-based ownership of LMIS unit by MOHP/LMD* • Formulate policy for discarding obsolete equipment • Creation of a Physical Assets Management (PAM) unit (building and equipment) within MD in DOHS with adequate staffing • Introduction of Public-Private Partnerships (PPPs) in contracting out district-level monitoring of the quality of procured drugs and medical equipment, and district-level transportation of health commodities to health facilities • *First round disposal of obsolete equipment by FY 2012/13* • *Strengthening of fiscal assets management with adequate staff* • *Independent district health monitoring committee to be established to monitor the overall health services in the district, quality and distribution of drugs and equipment in the district, and all health facilities. This committee should not have any government personnel*	MD/LMD/ DOHS	• Updated asset inventory report submitted on an annual basis during the JAR • 100% monthly report on-going	Annual	Up-to-date record of assets LMIS unit fully owned by MOHP/LMD PAM unit created Local capacity to manage PPP contracts increased	WORKGROUP COMMENTS – LMD recently revised auctioning disposal and write-off procedure guidelines, which were endorsed by MOF to be used widely. PAM already present and active in MD
	3	**Implementation and institutional capacity**						

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
3.1	**3.1**	**Ensuring adequate capacity enhancement of institutions, and Human Resources (HR) strengthening, to effectively implement NHSP2**	• AWPBs to capacity enhancement initiatives for different levels of staff • Adequate plans, budgets and activities to be provided for each year in line with the needs of key institutions, bodies and staff at central, district and local level • *Finalise the HR strategy audits implementation plan* • *Ensure coordination of HR strategy with health financing strategy*	MOHP, DOHS, and all key institutions at central, regional, district and local levels engaged in health service delivery and quality, EDPs	• HR strategy finalised • Capacity enhancement plan developed	Periodically from February to June during AWPB consultations	Commitment for capacity enhancement demonstrated by inclusion in the AWPB and subsequent implementation of the plan	Change objective name: • "Ensuring adequate capacity enhancement of institutions and strengthening of human resources" Additional indicators: • Capacity enhancement included in AWPBs • Number and attendance of capacity enhancement activities undertaken by each institution (by NHSP2 areas) Change reporting timeframe: • Annual reports of quarterly figures • JTA in place
3.2	**3.2**	**Ensuring adequate number and diversity of health workforce in accordance with norms set by MOHP**	• AWPB preparation and approval • AWPB to incorporate institutional development programme • Service Tracking Survey (STS) • Implementation of phase one of health facility block grants in underserved districts • Implementation of remote area allowance (pending cabinet approval) • Conduct organisation and management survey • Implementation of deployment and retention plan • Implement strategies for recruitment of local staff and increase of diversity in health workforce • Identification of number of members of health workforce to be redeployed within Village Development Committee (VDC)/municipality and district • Transfer of health workers from health facilities with surplus health workers to facilities with short supply • *Reaffirm the authority that the DHO has to redeploy staff to areas in need*	Regional Health Directorates (RHDs), DOHS, DHO and Health Facility Management Committee (HFMC)	• Information on short supply/surplus of health workforce by health facilities and/or district health offices; and on underserved communities • Diversity of staff increased • Percentage of health facilities/providers with a surplus vs. percentage with a deficit (disaggregated by district, Ilaka)	Periodically from February to June during AWPB consultations	The evaluation of the facility block grants with the purpose of improving the HR base in phase one districts More equally distributed workforce with relevant language skills as far as possible	Add indicators: • Number of health facility block applications/grants per underserved district • Remote area allowance implemented • Organisation and management survey undertaken and results shared • Retention plan implemented • Proportion of workforce from defined background* for each health provider (*diversity groups to be defined) • Review of health workforce numbers undertaken • Commentary on activities undertaken to transfer workers from health facilities with a surplus to those with a deficit

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
3.4	**3.3**	**Improving quality of health services**	• Establish a system for review of quality health services by 31 January 2012 • Improvement and expansion of physical infrastructure (Health Posts (HPs)/Sub-Health Posts (SHPs)) and strengthening of district hospitals	MOHP, DOHS, DHO, RHDs	• Social audits, citizens chart included in STS • Annual review of quality of drugs, equipment and facilities are conducted • Number of facilities meeting adequate standards • Existing set of defined Standard Operating Procedures (SOPs) for quality health services, at each level	Annually	Quality of drugs, equipment and health facilities assessed Number of health facilities meeting adequate standards increased	Define the term 'system', used in the first bullet point of activities. Add indicators: • Review system established • Number of facilities that meet defined standards (using results from the annual review) • Conduct STS and Household Survey in 2012. • Support conducting USAID funded SPA.
3.5	**3.4**	**Strengthening quality assurance through better use of M&E**	• Scale up disaggregated data collection system through HMIS • Link other sectors in HMIS e.g. with vital registration • Quarterly publication of health statistics and analysis • Update and prepare new guidelines and protocols for PHC and/or EHCS system • *Carry out STS* • *Develop a joint M&E platform for health sector in Nepal (including NGOs)* • *Develop M&E plan to harmonise M&E for health sectors and continue dialogue in EDPs and government*	MOHP, DOHS, NGOs, EDPs, MoLD	• Disaggregated data and analysis is available through the HMIS system. • HMIS report is published quarterly. • *Conduct STS annually* • M&E Plan developed • M&E working group of EDPs and government exists	Annually/ quarterly	Quality assurance system in place, data for monitoring of social inclusion available	Clarify: • Should fourth activity read "Update and prepare new guidelines and protocols for Primary Health Care (PHC) (or the EHCS) system"? • Disaggregated data by ethnicity caste and wealth Add indicators: • Guidelines and protocols for PHC system are produced and disseminated • HMIS is linked with other sectors
	4	**Environment**						
6.1	**4.1**	**Ensuring continued access to EHCS for all people in the face of disaster situations**	• *Develop guidelines for immediate response and possible activities to ensure continued access to EHCS* • Provision of annual contingency plans and budgets for districts • *Ensure that contingency plans and guidelines ensure equity through consideration of women, children and the poor*	MOHP, DOHS, and coordination with other departments dealing with emergencies and peace building	• Emergency contingency plan and initiatives to deal with women and children in conflict situations have been developed and implemented	November/ December Joint Review Once a year	Timely response to deal with women and children affected by crisis	Add indicators: • Immediate response guidelines developed and available • Assessment of the wealth, ethnicity, caste distribution of users of EHCS during defined emergency situations • Equity audit or review of contingency plans

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
6.2	4.2	**Promoting clean energy and environmental practices**	• Replacing kerosene energy with solar energy • Ensure that all health facilities have and implement a waste management plan	DOHS, HFMC	• Number of health facilities with cleaner and safer energy sources • Number of health facilities with a waste management plan implemented	November/ December Joint Review	Clean energy and a safer working environment	Add indicators: • Proportion of health facilities with solar energy, by district (review whether to use this) • Proportion of health facilities using kerosene energy, by district • Number of health facilities that have changed from kerosene energy in past 12 months • Proportion of health facilities with waste management plan, by district Number of health facilities with cleaner and safer energy sources
	5	**Social equity and inclusion**						
7.1	5.1	**Advancing the social inclusion of all citizens and ensuring government is more accountable**	• Updating social audit guidelines and their distribution to all stakeholders • Provision of training and budget for undertaking social audits in accordance with the guidelines • Capacity building of local HFMCs on Gender, Equity and Social Inclusion (GESI) application • Capacity building of GESI units at all levels • Dissemination and use of community scorecard for social audit information • Translation of GESI strategy into a set of activities with clear accountability for results	MOHP, DOHS, RHD, DHO, HFMC	• Districts and health facilities undertaking social audits in accordance with the guidelines and their link to the next year planning cycle • Share/number of health facilities completing social audit by trimester by district • Random sample review of social audit reports and field verification • HMIS, independent surveys and social audits provide intermediate evidence of improved outcomes for women and excluded groups • Disaggregation of health, nutrition and family planning outcomes by sex and caste/ethnicity(2011 and 2016 NDHS)	Review the progress every trimester and describe in the implementation progress report	Increased transparency in decision-making and accountability for the use of resources and the achievement of results in health sector	
7.2	5.2	**HFMCs are established and effective**	• HFMCs are formed in all health facilities and oriented in the roles, responsibilities and rights they hold for health services • Facilitation at the local level to ensure they are representative (i.e. include women, and excluded caste/ethnic groups). • Annual progress reports to include information on the existence, membership and functioning of the HFMCs • Recruitment of local health personnel through HFMC	MOHP, DOHS, DHO	• Number/share of health facilities with duly formed HFMCs by district	November/ December Joint Review Once a year Every trimester		Add indicators: • Proportion of health facilities that provide information on HFMCs in their annual progress reports • Proportion of newly recruited health personnel that have been recruited through the HFMCs

Original #	New #	Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency	Expected Results	Further Recommendations to Revise the GAAP
1.2	**5.3**	**Implementation of transparency and disclosure measures (see footnote 1)**	• Ensure regular and timely public disclosure activities through websites, radio, TV, newspapers and other appropriate media • Quarterly updates of DOHS and MOHP websites • Report on disclosure procedures implemented in the annual progress report • Activities delivered each quarter at each level are annually reported	MOHP, DOHS, DHO	• Frequency of website updates for the MOHP/DOHS, at departmental, central and facility levels • Number of public disclosure activities at central, district and facility levels, per quarter (disaggregated by media source) • Coverage of public disclosure systems and instruments used • Active website	Annual reporting of quarterly figures	All information related to NHSP2 implementation is kept in the public domain by adhering to the Right to Information Act	

Footnote 1:

At the central level the following information will be put on the DOHS website: (a) consolidated procurement plan; (b) complaint mechanism including for procurement; (c) information on actions taken on complaints made; (d) trimester implementation progress reports; (e) expressions of interest, bid documents, requests for proposals and contract awards; (f) AWP Budget; (g) annual audited financial statements; (h) programme implementation manual; (i) implementation directives; (j) HMIS and annual reports; (k) fund release information with budget heads, amounts and dates; and (l) target and actual status of key performance indicators.
At the district level the following information will be disclosed through newspapers and public notice boards, wherever possible through websites, and through radio and FM: (a) list of public health activities; (b) list of public and private health facilities, and essential services provided; (c) AWPB; (d) permanent health workforce positions sanctioned and filled; (e) number and names of health facilities on direct grant; (f) fund release information with budget head, amounts and dates by health facilities; (g) complaint mechanism; and (h) information on action on complaints.

At the health facility level the following information will be disclosed through public notice boards, through radio and FM and social mobilisers in appropriate language: (a) grants received from government and other sources with amount and date; (b) social and financial audit reports; (c) list of free essential medicines and services with amount disbursed; (d) current trends of diseases and public heath interventions; (e) complaint mechanism; (f) information on action on complaints; and (g) information on available workforce.

Annex 1 – List of workshop participants

Name	Designation	Institution
Dr Bal Krishna Suvedi	Chief	Policy Planning and International Cooperation Division, Ministry of Health and Population
Dr Padma Bahadur Chand	Chief	Public Health Administration and Monitoring & Evaluation Division, Ministry of Health and Population
Dr Babu Ram Marasini	Chief	Health Sector Reform Unit, Ministry of Health and Population
Er Sunil Kumar Karn	Deputy Director General	Department of Urban Development and Building Construction, Ministry of Physical Planning and Works
Mr Sunil Khadka	Infrastructure & Maintenance Advisor	Nepal Health Sector Support Programme
Mr Homnath Suvedi	Equity and Access Programme Advisor	Nepal Health Sector Support Programme
Mr Shyam Kishor Singh	Sr. Division Engineer	Department of Urban Development and Building Construction, Ministry of Physical Planning and Works
Mr Ganga Raj Aryal	Health Education Administrator	National Health Education Information Communication Centre, Department of Health Services
Dr Yadu Chandra Ghimire	Sr. Integrated Medical Officer	Epidemiology and Disease Control Division, Department of Health Services
Mr Manav Bhattrai	Health Specialist	World Bank
Ms Latika Pradhan	Programme Manager	Australian AID
Mr Kiran Raj Baral	Sr. Procurement Specialist	World Bank
Mr Bert Voetberg	Lead Health Specialist	World Bank
Mr Atma Ram Pandey	Joint Secretary	National Planning Commission, Government of Nepal
Dr Nastu Sharma	Sr. Programme Manager	Australian AID
Dr Migmar Gyalgen Sherpa	Director	Logistic Management Division, Department of Health Services
Dr Ramesh Kumar Kharel	Director	National Centre for AIDS and STD Control, Department of Health Services
Mr Surya P Acharya	Joint Secretary	Ministry of Health and Population
Dr Naresh Pratap KC	Director	Family Health Division, Department of Health Services
Dr Frank Paulin	Medical Officer	World Health Organization/Nepal
Mr Radha Raman Prasad	Director	Department of Drug Administration, Ministry of Health and Population
Dr Suresh Tiwari	Health Financing Advisor	Nepal Health Sector Support Programme
Mr Matt Gordon	Health Advisor	Department for International Development, United Kingdom Government
Ms Anne Peniston	Global Health Initiative Field Deputy	United States Agency for International Development
Mr Shanker Raj Pandey	Local Representative	KfW
Mr Dilli Ram Panthi	Planning Officer	National Planning Commission, Government of Nepal

Mr Ramchandra Man Singh	Health Governance Advisor	Nepal Health Sector Support Programme
Mr Lava N Shrestha	Administrative Associate	World Health Organization/Nepal
Mr Mukti Khanal	Sr. Demographer	Family Health Division, Department of Health Services
Mr Pawan Ghimire	Deputy Director	Health Management Information System, Department of Health Services
Mr Sita Ram Prasai	Gender Equity and Social Inclusion Advisor	Nepal Health Sector Support Programme
Mr Hari Bahadur Baniya	Under Secretary	Office of Auditor General of Finance, Ministry of Finance
Dr Sailesh Kr Upadhaya	National Programme Officer	World Health Organization/Nepal
Mr Bhanu Yangden	Sr. Public Health Administrator	Logistics Management Division, Department of Health Services
Mr Umesh Gupta	Administrative Officer	World Health Organization/Nepal
Mr Ajit Pradhan	M&E Strategic Advisor	Nepal Health Sector Support Programme
Dr Devi Prasai	Demand Side Financing Advisor	Nepal Health Sector Support Programme
Mr Krishna Sharma	Head of Finance& Administration	Nepal Health Sector Support Programme
Dr Nancy Gerein	Team Leader	Nepal Health Sector Support Programme
Mr Mohan Bahadur Thapa	Accounts Officer	Finance Section, Ministry of Health and Population
Mr Yam Narayan Sharma	Accounts Officer	Finance Section, Ministry of Health and Population
Dr Geeta Shakya	Director	Nepal Public Health Laboratory, Department of Health Services
Dr Ram Dev Yadav	Act. Director General	Department of Ayurveda, Ministry of Health and Population
Mr Roshan Karn	Consultant	Nepal Health Sector Support Programme
Mr Martyn Brookes	Consultant	Options

Annex 2 – GAAP workshop agenda

Workshop on the Second Nepal Health Sector Programme's Governance and Accountability Action Plan (GAAP)

Policy, Planning and International Cooperation Division
Ministry of Health and Population

Hotel Himalaya, Kupandole, Lalitpur
8:30 – 1:30, 20th October 2011

Agenda

8.30 Breakfast

9.00 Welcome and Objectives

Objectives

- To discuss and identify challenges and opportunities in monitoring the progress of the GAAP, through:
    - facilitating a common understanding of the implementation of GAAP
    - reviewing and rationalising the activities and indicators
    - discussing information collection processes, tools and responsibilities
    - identifying a coordination mechanism within the ministry for monitoring and reporting the GAAP
- Agenda for the day

9.10 Background

- Detailed overview of the GAAP
- Selected activities for 2011/12
- Problems identified with monitoring progress of the GAAP

Group work (participants to form four separate groups)

9.40 Group work session 1: Reviewing the GAAP– activities, indicators and data sources

- 100 mins - Group discussion and documenting recommendations

11.20 Feedback from separate groups (10 min each)

12.00 Group work session 2: Establishing coordinating and reporting mechanisms

- 30 mins - Group discussion and documenting recommendations

12.30 Feedback from separate groups (10 min each)

1.10 Closing remarks and next steps
1.30 Lunch

Annex 3–Original Governance and Accountability Action Plan

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
1. SECTOR GOVERNANCE/ENABLING ENVIRONMENT					
1.1 Move towards output-based budgeting by revising AWPB through MTEF	• Output-based budgeting to start from FY2010/11 • Pooled funding partners to provide indicative commitments by January 31 of each year	MoHP, NPC, MoF	• Output based budget prepared from FY2010/11	Every trimester with IPR	Budget allocated based on results and posted on MoHP website.
1.2 Implementation of transparency and disclosure measures[1]	• Ensure regular and timely public disclosure activities through MoHP and DoHS website ensuring regular updates, radio/TV, newspapers & HFMCs of program budgets, contracts, procurement and activities • Report on disclosure procedures implemented in the annual progress report	MoHP, DoHS, DHO	• There is sufficient flow of information at the local level to stakeholders on budgets available and used, activities planned and undertaken. • Coverage of public disclosure systems and instruments used • Website is active	Continuous	All information related to NHSPII implementation is kept in the public domain by adhering to the Right to Information Act
2. STAKEHOLDER					

[1] **At the central level** the following information will be put in the DoHS website: (a) consolidated procurement plan; (b) complaint mechanism including for procurement; (c) information on actions taken on complaints made; (d) trimester implementation progress reports; (e) expressions of interest, bid documents, request for proposals and contract awards; (f) annual work plan and budget; (g) annual audited financial statements; (h) program implementation manual; (i) implementation directives; (j) HMIS and annual reports; (k) fund release information with budget heads, amounts and dates; and (l) target and actual status of key performance indicators.
At the district level the following information will be disclosed through newspapers and public notice boards, wand wherever possible through websites. And through radio and FM: (a) list of public health activities; (b) list of health facilities performing BOEC and COEC; (c) annual work plan and budget; (d) permanent health workforce positions; (e) number of health facilities on direct grant; (f) fund release information with budget head, amounts and dates by health facilities; (g) complaint mechanism; and (h) information on action on complaints.
At the health facility level the following information will be disclosed through public notice boards, through radio and FM and social mobilisers in appropriate language: (a) grants received from government and other sources with amount and date; (b) social and financial audit reports; (c) list of free essential medicines and services with amount disbursed; (d) current trends of diseases and public heath interventions; (e) complaint mechanism; (f) information on action on complaints; and (g) information on available workforce.

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
2.1 Ensuring periodic Performance Audit	• Identification of key aspects to be covered in the Performance Audit of the NHSPII Implementation Plan by MoHP/DoHS with close coordination with the pooled partners and OAG • Timely advance discussions on how the performance audit can supplement regular ongoing process • Public and social audits to feed into performance audits	MoHP	Identification of key issues in relations to performance of districts and thematic areas against the programs' overall goals and objectives	Two performance audits during implementation period (on an average one audit in every two years)	Results are independently evaluated and corrective actions taken for any reported deficiencies
3. IMPLEMENTATION CAPACITY/INSTITUTIONAL CAPACITY					
3.1 Ensuring adequate capacity enhancement of institutions and human resources strengthening to effectively implement NHSP2 implementation plan	• Annual work plans and budgets to incorporate capacity enhancement initiatives for different levels of staff • Adequate plans, budgets and activities to be provided for each year in line with the needs of key institution and bodies and staff at central, district and local levels	MoHP, DoHS, and all key institutions at central, regional, district and local levels engaged in health service delivery and quality	• Coverage of key activities, in line with the sequence of NHSPII planned implementation, in the key institutions of health and other multi-sectoral bodies foreseen for NHSPII e.g. nutrition and HIV/AIDS	Periodically from February to June during AWPB consultations	Commitment for capacity enhancement demonstrated by including in the AWPB and implementing the plan
3.2 Ensuring adequate number and diversity of health workforce as per norms set by MoHP	• AWPB preparation and approvals • AWPB to incorporate institutional development program • Implementation of phase 1 of health facility block grants in underserved districts • Implementation of Remote Area Allowance (pending Cabinet approval) • Conduct Organization and Management survey • Implementation of deployment and retention plan • Implement strategies for recruitment of local staff and to increase diversity in health workforce	RHDs, DoHS, DHO and HFMC	• Information on short supply/surplus of health workforce by health facilities and/or district health offices; and on underserved communities • Diversity of staff increased	Periodically from February to June during AWPB consultations	The evaluation of the facility block grants with the purpose of improving the human resources base in phase 1 districts
3.3 Redeployment of health workforce	• Identification of number of health workforce to be redeployed within VDC/municipality and district • Transfer of health workers from health facilities with surplus health workers to facilities with short supply	MoHP, DoHS, DHO	• Percent of health facilities with a surplus vs. percentage with a deficit	Once a year	More equally distributed workforce with relevant language skills as far as possible

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
3.4 Improving quality of health services	• Establish a system for review of quality health services by January 31, 2011 • Improvement and expansion of physical infrastructure (HP/SHPs and strengthening district hospitals)	MoHP, DoHS, DHO, RHDs	• Annual review of quality of drugs, equipment and facilities and social audits are conducted • Number of facilities meeting adequate standards	Annually	Quality of drugs, equipment and health facilities assessed Number of health facilities meeting adequate standards increased
3.5 Strengthening quality assurance and M&E	• Scale up disaggregated data collection system through HMIS • Link other sectors in HMIS e.g. with vital registration • Quarterly publication of health statistics and analysis • Update & prepare new guidelines & protocols for PHC system • Carry out annual facility surveys	MoHP, DoHS	• Disaggregated data and analysis is available. • HMIS report is published quarterly. • Facility survey conducted annually	Annually/ quarterly	Quality assurance system in place, data for monitoring of social inclusion available
4. FINANCIAL MANAGEMENT					
4.1 Adequate and timely financial management at central, district and health facility level	• Timely preparation and submission of trimesterly FM reports covering all program activities and all districts • Establish a computerized system for accounting and reporting at MoHP and DHOs with networking facilities between them	MoHP, DoHS, DHO	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the program • Explore use of an integrated computerized system to link physical and financial progress	FMRs on trimester basis Annual consolidated FMR	Reports submitted within the stipulated timeframe Financial statements of NHSPII prepared through the FMIS DHOs networked with DoHS and MoHP for the MIS
4.2 Timely fund release to health facilities	• Provide adequate and timely support to districts to submit AWPB • Put in place a clear system of norms and procedures for appraisal of plans and approvals of budgets • Fix deadlines for key budget decisions e.g. list of health facilities selected for new activities and block grants by the DoHS and DHO to be included in AWPB • Implement a fund-flow tracking system developed in software	MoHP, DoHS, DHOs	• Number of districts undertaking stakeholder consultations for plan preparation and budget approvals • Share of annual budget released in the first trimester by DoHS • Share of health facilities getting grants within one month after the beginning of FY • Implementation of fund flow tracking system • At least 85% absorption rate of committed funds for the health sector	November/ December JAR Thrice a year	Timely availability of funds at health facilities

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
4.3 Improve the quality of asset management	• Regular updating of inventory of all assets under its use by talking physical count and reconciling the result with records • Improve inventory software for non-consumable fixed assets and strengthen LIMS • Formulate policy for discarding obsolete equipment • Creation of a Physical Assets Management Unit (building and equipment) within management division in DoHS with adequate staffing • Introduction of Public-Private Partnerships in contracting out district level monitoring of the quality of procured drugs and medical equipments. • District Level capacity enhanced to comply with quality assurance of health care services • Providing adequate funds for maintenance in AWPB	LMD/DoHS	Updated asset inventory report submitted on an annual basis during the JAR Staff position created/reallocated and filled Verification of amount line budget item in AWPB	Annual	Up –to-date record of assets PAM unit created Local capacity to manage PPP contracts increased
4.4 Update Financial Regulations for Hospitals and for Management Committees	• Update Financial Regulations for Hospitals • Update Financial Regulations for Management Committees	MoHP DoHS	• Acceptable Financial Regulations prepared for Hospitals and Management Committees	By December 2010	Transparent financial regulations for hospitals and management committees
4.5 Operating Procedure made transparent for Non-state Partners/NGOs	• Prepare Act/Regulations for Non-state Partners/NGOs	MoHP DoHS	• A separate working modality developed for Non-state Partners/NGOs involved in the health sector.	By December 2011	Transparent procedure available for the engagement of Non-state Partners and NGOs
4.6 Adequate Funds ensured for operation and maintenance of medical equipments and hospital buildings	• Include at least 2% of budget for Operation and Maintenance (O&M) in the annual work program and budget for operations and maintenance of medical equipments and hospital buildings • Monitor the O&M expenditures	MoHP, MoF, Pooled Partners	• At least 2% of budget is ensured for O&M in the budget.	Annual Review during joint reviews	Adequate funds ensured for O&M
4.7 Taking prompt action on audit irregularities	• Form an audit irregularities clearance committee • Reduce the irregularities to less than 20% every year.	MoHP	• Audit irregularities reduced to less than 20 percent. • Action Plan developed and implemented to rectify the weaknesses observed by the audits	Annual Review during joint reviews	Financial discipline in the sector improved
5. PROCUREMENT					

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
5.1 Procurement at central and district level	• Prepare consolidated annual procurement plans • Training for strengthening procurement capacity at central and district levels • Engage procurement support for NHSPII implementation • Revise procurement policy and guidelines for MoHP • Revise logistics management policy and guidelines • A sound Quality Assurance (QA) System including pre- and post-shipment is in place at centre and at district level to monitor the quality of procured drugs • Local capacity is enhanced at District Level to comply with QA	DoHS/LMD	• Standards and procedures in place for procurement best practices • Districts reporting difficulties in procurement • Monitoring reports on procurement • Training conducted on procurement at least once a year for all DHOs and cost centres • QA is applied as a standard operating procedure at the centre as well as district level	Annual procurement plan Reports on procurement undertaken every trimester Annual	Good procurement practices in place
5.2 Timely availability of drugs, equipment and supplies	• Adopt multi-year framework contracting for essential drugs, commodities and equipment by August 31, 2010 • Consolidated (including goods, works, services for the whole ministry regardless of financing source) annual procurement plan made available to all interested parties at cost price six months before the beginning of the fiscal year on the website • Amend Drug Act and give Nepal Drug Research Lab independent status. • Introduce e-procurement	MoHP, DoHS/LMD	• Percentage of health facilities with tracer drug stock out	November/ December Joint Review Once a year	Essential Drugs distributed in timely manner and made available two weeks prior to the start of the FY E-procurement in use
6. ENVIRONMENT					
6.1 Ensuring continued access to EHCS for all people in the face of emergencies, crisis & conflict situation	• Develop guidelines for immediate response and possible activities to deal with women & children and the poor affected by conflict • Provision of annual contingency plans and budgets for districts incorporating RH and GBV issues • Ensure that all health facilities have and implement a waste management plan	MoHP, DoHS, and Coordination with other departments dealing with emergencies and peace building	• Emergency contingency plan and initiatives to dealt with women and children in conflict situations	November/ December Joint Review Once a year	Timely response to deal with women and children affected by crisis
6.2 Promoting clean/solar energy	• Replacing kerosene energy with solar energy	DoHS, HFMC	• Number of health facilities with cleaner and safer energy sources	November/ December Joint Review	Clean energy and a safer working environment
7. SOCIAL/EQUITY ACCESS AND INCLUSION					

Key Objectives	Key Activities	Responsible Agencies	Key Indicators	Reporting Frequency/ Timeframe	Expected Results
7.1 Advancing the social inclusion of all citizens and ensuring government is more accountable	• Updating social audit guidelines and their distribution to all stakeholders • Provision of training and budget for undertaking social audits as per the guidelines • Capacity building of local HFMCs on GESI application • Capacity building of GESI units at all levels • Dissemination and use of community scorecard for social audit information • Translation of GESI strategy into a set of activities with clear accountability for results.	MoHP, DoHS, RHD, DHO, HFMC	• Districts and health facilities undertaking social audits as per the guidelines and their link to the next year planning cycle • Share/number of health facilities completing social audit by trimester by district • Random sample review of social audit reports and field verification • HMIS, independent surveys and social audits provide intermediate evidence of improved outcomes for women and excluded groups • 2011 and 2016 DHS registers improvements in health, nutrition and family planning outcomes for women and excluded groups	Review the progress every trimester and describe in the implementation progress report	Increased transparency in decision-making and accountability for the use of resources and the achievement of results in health sector
7.2 Health Facility Management Committees (HFMC) are established and effective	• Facilitation at the local level to ensure that representative HFMCs are formed in all health facilities and oriented in the roles, responsibilities and right they hold for health services. • Annual progress reports to include information on the existence and functioning of the HFMCs • Recruitment of local health personnel through HFMC	MoHP, DoHS, DHO	• Number/share of health facilities with duly formed HFMCs by district	November/ December Joint Review Once a year Every trimester	

Annex 4 – Agreed GAAP priority activities for 2011/12

Key Objectives	*Key Activities*	*Responsible Agencies*	*Key Indicators*	*Reporting Frequency/ Timeframe*	*Expected Results*
1. Sector Governance/Enabling Environment					
1.2 ***Implementation of transparency and disclosure measures***[2]	• Ensure regular and timely public disclosure activities through MOHP and DOHS website ensuring regular updates of programme budgets, contracts, procurement and activities • Report on disclosure procedures implemented in the annual progress report	MOHP, DOHS, DHO	• There is sufficient flow of information at the local level to stakeholders on budgets available and used, activities planned and undertaken • Coverage of public disclosure systems and instruments used • Information posted on DoHS website	Continuous	All information related to NHSP2 implementation is kept in the public domain by adhering to the Right to Information Act
2. Stakeholder					
2.1 ***Ensuring periodic performance audit***	• Identification of key aspects to be covered in the performance audit of the NHSP2 Implementation Plan by MOHP/DOHS with close coordination with the pooled partners and OAG • Timely advance of discussions on how the performance audit can supplement regular ongoing process	MOHP	• Two performance audits during implementation period (on average, one audit every two years)	On average, one audit every two years	Results made available

[2]**At the central level** the following information will be put in the DOHS website: (a) consolidated procurement plan; (b) complaint mechanism including for procurement; (c) information on actions taken on complaints made; (d) trimesterly implementation progress reports; (e) expressions of interest, bid documents, requests for proposals and contract awards; (f) AWPB; (g) annual audited financial statements; (h) programme implementation manual; (i) implementation directives; (j) HMIS and annual reports; (k) fund release information with budget heads, amounts and dates; and (l) target and actual status of key performance indicators.
At the district level the following information will be disclosed through newspapers and public notice boards, wherever possible through websites, and through radio and FM??: (a) list of public health activities; (b) list of health facilities performing BOEC and COEC; (c) AWPB; (d) permanent health workforce positions; (e) number of health facilities on direct grant; (f) fund release information with budget head, amounts and dates by health facilities; (g) complaint mechanism; and (h) information on action on complaints.
At the health facility level the following information will be disclosed through public notice boards, through radio and FM?? and social mobilisers in appropriate language: (a) grants received from government and other sources with amount and date; (b) social and financial audit reports; (c) list of free essential medicines and services with amount disbursed; (d) current trends of diseases and public heath interventions; (e) complaint mechanism; (f) information on action on complaints; and (g) information on available workforce.

Key Objectives	*Key Activities*	*Responsible Agencies*	*Key Indicators*	*Reporting Frequency/ Timeframe*	*Expected Results*
3. Implementation Capacity/Institutional Capacity					
3.4 ***Improving quality of health services***	• Establish a system for review of quality health services by 31 January 2012	MOHP, DOHS, DHO, RHDs	• At least one review of quality of health services conducted	Annually	Quality of drugs, equipment and health facilities assessed
3.5 ***Strengthening quality assurance and M&E***	• Trimesterly publication of health statistics and analysis • Carry out annual facility surveys	MOHP, DOHS	• HMIS report is published quarterly • Facility survey conducted annually	Annually/ quarterly	Quality assurance system in place, data for monitoring of social inclusion available
4. Financial Management					
4.1 ***Adequate and timely financial management at central, district and health facility levels***	• Establish a computerised system for accounting and reporting at MOHP and DHOs with networking facilities between them	MOHP, DOHS, DHO	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the programme • Explore use of an integrated computerised system to link physical and financial progress	FM reports on trimesterly basis Annual consolidated FM report	Reports submitted within the stipulated timeframe Financial statements of NHSP2 prepared through the FMIS DHOs networked with DOHS and MOHP for the MIS
4.2 ***Timely fund release to health facilities***	• Fix deadlines for key budget decisions e.g. list of health facilities selected for new activities and block grants by the DOHS and DHO to be included in AWPB • Implement a fund-flow tracking system developed in software	MOHP, DOHS, DHOs	• Share of annual budget released in the first trimester by DOHS • Implementation of fund-flow tracking system	November/ December JAR Three times a year	Timely availability of funds at health facilities

Key Objectives	*Key Activities*	*Responsible Agencies*	*Key Indicators*	*Reporting Frequency/ Timeframe*	*Expected Results*
4.3 ***Improve the quality of asset management***	• Regular updating of inventory of all assets under its use by taking physical count and reconciling the result with records • Improve inventory software for non-consumable fixed assets and strengthen LIMS • Creation of a PAM unit (building and equipment) within MD in DOHS with adequate staffing • Providing adequate funds for maintenance in AWPB	LMD/DOHS	• Updated asset inventory report submitted on an annual basis during the JAR • Staff position created/reallocated and filled • Verification of amount line budget item in AWPB	Annual	Up-to-date record of assets PAM unit created Local capacity to manage PPP contracts increased
4.4 ***Update Financial regulations for hospitals and for management committees***	• Update financial regulations for hospitals • Update financial regulations for management committees	MOHP DOHS	• Acceptable financial regulations prepared for hospitals and management committees	By December 2011	Transparent financial regulations for hospitals and management committees
4.6 ***Adequate Funds ensured for O&M of medical equipment and hospital buildings***	• Include at least 2% of budget for O&M in the AWPB for O&M of medical equipment and hospital buildings	MOHP, MOF, pooled partners	• At least 2% of budget is ensured for O&M	Annual Review during joint reviews	Adequate funds ensured for O&M
5. Procurement					
5.1 ***Procurement at central and district levels***	• Prepare consolidated annual procurement plans • Training for strengthening procurement capacity at central and district levels • Engage procurement support for NHSP2 implementation • Revise procurement policy and guidelines for MOHP	DOHS/LMD	• Standards and procedures in place for procurement best practices • Districts reporting difficulties in procurement • Monitoring reports on	Annual procurement plan Reports on procurement undertaken every	Good procurement practices in place

Key Objectives	*Key Activities*	*Responsible Agencies*	*Key Indicators*	*Reporting Frequency/ Timeframe*	*Expected Results*
	• Revise logistics management policy and guidelines • A sound QA system, including pre- and post-shipment, is in place at central and district levels to monitor the quality of procured drugs • Local capacity is enhanced at district level to comply with QA		procurement • Training conducted on procurement at least once a year for all DHOs and cost centres • QA is applied as a standard operating procedure at both central and district levels	trimester Annual	
5.2 ***Timely availability of drugs, equipment and supplies***	• Consolidated annual procurement plan(including goods, works, services for the whole ministry regardless of financing source) made available on the website to all interested parties at cost price six months before the beginning of FY • Introduce e-procurement	MOHP, DOHS/LMD	• Percentage of health facilities with tracer drug stock outage	November/ December Joint Review Once a year	Essential drugs distributed in timely manner and made available two weeks prior to the start of the FY e-procurement in use
6. Environment					
6.1 ***Ensuring continued access to EHCS for all people in the face of emergencies, crisis and conflict situations***	• Develop guidelines for immediate response and possible activities to deal with women and children and the poor affected by conflict • Ensure that all health facilities have and implement a waste management plan	MOHP, DOHS, and coordination with other departments dealing with emergencies and peace building	• Emergency contingency plan and initiatives to deal with women and children in conflict situations	November/ December Joint Review Once a year	Timely response to deal with women and children affected by crisis
7. Social/Equity Access and Inclusion					
7.1 ***Advancing the social inclusion of all citizens and***	• Updating social audit guidelines and their distribution to all stakeholders	MOHP, DOHS, RHD,	• Districts and health facilities undertaking social audits in	Trimesterly	Increased transparency in

Key Objectives	*Key Activities*	*Responsible Agencies*	*Key Indicators*	*Reporting Frequency/ Timeframe*	*Expected Results*
ensuring government is more accountable	• Provision of training and budget for undertaking social audits as per the guidelines • Capacity building of local HFMCs on GESI application • Capacity building of GESI units at all levels • Dissemination and use of community scorecard for social audit information • Translation of GESI strategy into a set of activities with clear accountability for results	DHO, HFMC	accordance with the guidelines and their link to the next year planning cycle • Share/number of health facilities completing social audit by trimester by district • Random sample review of social audit reports and field verification • 2011 and 2016 DHS register improvements in health, nutrition and family planning outcomes for women and excluded groups		decision-making and accountability for the use of resources and the achievement of results in health sector

Annex 5 – Extracts from GAAP Progress Report 2010

The table below is a short extract from the most recent GAAP progress report: Progress on Governance and Accountability Action Plan (NHSP IP II). This report was submitted to the JAR in January 2011.

Key Objectives	Key Activities	Progress to date (as of December 2010)
1. Sector Governance/Enabling Environment		
1.1 Move towards OBB by revising AWPB through MTEF	OBB to start from FY2010/11	-A concept note has been prepared to link the budget into service outputs. While spending the budget a programme code will be given, so that each expenditure will be linked to the programme activity. -Budget by NHSP2 objectives was analysed and shared with development partners during health sector development partners' meeting in November 2009. -Marginal budget analysis was completed in December 2010 with the support of UNICEF. It provides the budget estimate for scaling up the programme. Unit costs of some programmes were calculated (outpatient, inpatient of district hospitals, delivery care, Community-Based Integrated Management of Childhood Illnesses (CB-IMCI)), which helped to move towards the output- based budget analysis.
	Pooled funding partners to provide indicative commitments by 31 January of each year	-Electronic Annual Work Plan and Budget (e-AWPB) was revised and coding for gender-responsive activities completed. Now it can automatically generate the gender-responsive budget from the existing set of activities. This will help to prepare the gender-responsive budget and the budget can be analysed by directly gender-related, indirectly gender-related, and neutral fields. The output will be produced automatically (for details see report on Financial Management). Pooled fund partners provided the indicative budget late because the NHSP IP draft was prepared late (April, 2010). As a result, commitment came only after April.

1.2 Implementation of transparency and disclosure measures	Ensure regular and timely public disclosure of activities through MOHP and DOHS websites, ensuring regular updates, radio/TV slots, newspaper coverage and HFMCs of programme budgets, contracts, procurement and activities Report on disclosure procedures implemented in the annual progress report	DOHS has developed the standard websites for all 75 districts to increase the access of information to the general public. All important notices are published on the web for public view. A few DHOs have already disclosed the statement of expenditure of major activities; however, many others have planned to disclose major programmes and activities, budget, and procurement contracts in the second phase. In the next phase all budget, programmes, contracts and HFMC activities will be uploaded. However, webpages covering finance and the citizen charter remain empty and information is waiting to be uploaded. For details visit: www.dohs.gov.np. In addition to this, Regional Health Directorate Surkhet has also developed its web page. It has uploaded information on the status of Human Resources by districts (filled, vacant and other information), policy and strategy papers, and an e-Notice Board. For details visit: http://mwrhd.gov.np/. Recently LMD has started to employ web-based LMIS, a web-based inventory management system, rural telemedicine programme, and e-post, improving access to health services and information, thereby helping decision-makers at all levels. The LMD website discloses stock outages of drugs and medical commodities. It publishes the notices of bidding for drugs and other medical supplies. A separate icon is given for bidding-related information. Regarding district-level procurement, the instruction letter, quantification, and budget for essential drugs for each district are published on the web and updated frequently. Moreover, LMD publishes each notice in national newspapers and also sends the ICB-related notice to the respective embassies and other diplomatic missions. Contracts related information is also published on the web. For details visit: www.dohslmd.gov.np The uploading of government reports and policy-related research and studies has been initiated, and a few already uploaded. The frequency of the updating of MOHP websites is slightly improved; however, many of the related documents are still waiting to be uploaded. Website: www.mohp.gov.np The annual report now incorporates the budget and expenditure; administrative information on filled and vacant posts by level is published in the annual report. In addition to this, information on International NGOs' service utilisation is also published on the website. However, updating is still a problem: DOHS website still has NHSP1, not NHSP2. HuRIC and related information is less functional.

2. Stakeholder		
2.1 Ensuring periodic performance audit	Identification of key aspects to be covered in the performance audit of the NHSP2implementation plan by MOHP/DOHS with close coordination with the pooled partners and OAG. Two performance audits during the implementation period (on average, one audit every two years) • Timely advance of discussions on how the performance audit can supplement regular ongoing process	The performance audit was introduced in 2008/9, with large-scale programmes chosen for assessment. Eight districts were selected in 2008/09 (Gulmi, Bara, Morang, Bardia, Bhojpur, Kapilbastu, Lalitpur and Gorkha); the performance audit was expanded to five further districts in 2009/10(Doti, Ilam, Dolakha, Kanchanpur, and Banke). Group discussions and in-depth interviews were also performed, with both consumers and care providers. The performance audit is not planned in 2010/11 owing to the abundance of need and limited HR in the performance division of OAG. It may be planned in 2011/12. The major irregularities found included: mismatch of demand and supply of medicine; delay in medicine supply; lack of maintenance; non-compliance of posting of the care providers; and long absenteeism. The performance audit feedback to the programme managers and improvement and local voices forced the health workers to stay at the service station. It also contributed to an increase in awareness of health care benefits, which may mean that demands for health care will be further increased. It reduces fiduciary risks and promotes the accountability of health workers to consumers (for details see report on Financial Management). Only one meeting was held to advance the performance audit.
	• Public and social audits to feed into performance audits	A consultative meeting was organised between the OAG and MOHP to build links between the performance audit and the social/public audit. The auditors were instructed to review the highlights of the public/social audit. It is difficult to review all reports in the limited time; therefore, respective District Public Health Offices (D/PHOs) should compile all the reports of public audits and prepare a consolidated report of the districts with major findings and highlights. The auditors agreed to use the consolidated report during the performance audit. Last year, NRs 500.00 was sent to each HP and SHP for social audit. Only a few reports were received in the DOHS; similarly, 21 facilities from seven districts performed asocial audit of Aama Programme in 2009/10. These should be consolidated and made available to auditors in the field. The highlights of social/public audits will feed into the performance audits.

Annex 6 – Proposed revised and original objectives

Revised Objectives		Original Objectives	
Objective 1: Financial Management			
1.1	Move towards output-based budgeting by revising AWPB through MTEF	1.1	Sector Governance/Enabling Environment
1.2	Ensuring periodic performance audit	2.1	Stakeholder
1.3	Adequate and timely financial management at central, district and health facility levels	4.1	Financial Management
1.4	Timely fund release to health facilities	4.2	Financial Management
1.5	Update financial regulations for hospitals and for management committees	4.4	Financial Management
1.6	Operating procedure made transparent for non-state partners/NGOs	4.5	Financial Management
1.7	Adequate funds ensured for operation and maintenance of medical equipment and hospital buildings	4.6	Financial Management
1.8	Taking prompt action on audit irregularities	4.7	Financial Management
Objective 2: Procurement and Asset Management			
2.1	Procurement at central and district levels	5.1	Procurement
2.2	Timely availability of drugs, equipment and supplies	5.2	Procurement
2.3	Improve the quality of asset management	4.3	Financial Management
Objective 3: Implementation and Institutional Capacity			
3.1	Ensuring adequate capacity enhancement of institutions, and HR strengthening, to effectively implement NHSP2	3.1	Implementation Capacity/Institutional capacity
3.2	Ensuring adequate number and diversity of health workforce as per norms set by MOHP	3.2	Implementation Capacity/Institutional capacity
3.3	Improving quality of health services	3.4	Implementation Capacity/Institutional capacity
3.4	Strengthening quality assurance through better use of M&E	3.5	Implementation Capacity/Institutional capacity
Objective 4: Environment			
4.1	Ensuring continued access to EHCS for all people in the face of disaster situations	6.1	Environment
4.2	Promoting clean energy and environmental practices	6.2	Environment
Objective 5: Social Equity and Inclusion			
5.1	Advancing the social inclusion of all citizens and ensuring government is more accountable	7.1	Social/equality Access and Inclusion
5.2	HFMCs are established and effective	7.2	Social/equality Access and Inclusion
5.3	Implementation of transparency and disclosure measures	1.2	Sector Governance/Enabling Environment

Annex 7 – Summary of changes made to the original GAAP

The table below presents the summary of changes made to the original GAAP framework, and presented in the GAAP framework of this document (Section 2, Table 1).

Key objectives	Summary of changes	Original text	Adjusted text
1. SECTOR GOVERNANCE/ENABLING ENVIRONMENT	Removed objective heading	• Sector governance/enabling environment	• Deleted heading
1.1 Move towards output-based budgeting by revising AWPB through MTEF	Moved sub-objective to different category		• Moved sub-objective to the Financial Management category
	Added activity		• Framework guidelines to be developed and discussed in the JAR by 12 Jan 2012
	Changed activity	• Output-based budgeting to start from FY2010/11	• Output-based budgeting to start from FY2012/13
	Changed indicator	• Output based budget prepared from FY2010/11	• Output based budget prepared from FY2012/13
1.2 Implementation of transparency and disclosure measures	Moved sub-objective to different category	•	• Moved sub-objective to the Social Equity, Access and Inclusion category.
	Changed wording of key activities	• Ensure regular and timely public disclosure activities through MOHP and DOHS websites ensuring regular updates, radio/TV, newspapers and HFMCs of programme budgets, contracts, procurement and activities • Report on disclosure procedures implemented in the annual progress report	• Ensure regular and timely public disclosure activities through websites, radio, TV, newspapers and other appropriate media • Quarterly updates of DOHS and MOHP websites • Report on disclosure procedures implemented in the annual progress report • Activities delivered each quarter at each level are annually reported
	Changed indicators	• There is sufficient flow of information at the local level to stakeholders on budgets available and used, activities planned and undertaken. • Coverage of public disclosure systems and instruments used • Website is active	• Frequency of website updates (defined by footnote) for the MOHP/DOHS, at the departmental and central levels • Number of public disclosure activities at central and district levels, per quarter (disaggregated by media source). • Coverage of public disclosure systems and instruments used • Active website
	Changed timeframe	• Continuous	• Annual reporting of quarterly figures
2. STAKEHOLDER			
2.1 Ensuring periodic performance audit	Moved sub-objective to different category		• Moved sub-objective to the Financial Management category

Key objectives	Summary of changes	Original text	Adjusted text
	Added activities		• Process and focus of performance audit agreed by partners and OAG by 29 February 2012 • Performance audit undertaken in FY 2012/13 and FY 2014/15
	Reworded indicator	• Identification of key issues in relation to performance of districts and thematic areas against the programmes' overall goals and objectives	• Key issues identified (in relation to performance of districts and thematic areas against the programmes' overall goals and objectives)
3. IMPLEMENTATION CAPACITY/INSTITUTIONAL CAPACITY			
3.1 Ensuring adequate capacity enhancement of institutions, and HR strengthening, to implement NHSP2 implementation plan effectively	Added three activities		• At central, district and local levels • Service provision agreement • Finalise the HR strategy with its implementation plan • Ensure link between HR and health financing strategies
	Deleted original indicator and added two new indicators	• Coverage of key activities, in line with the sequence of NHSP2 planned implementation, in the key institutions of health and other multi-sectoral bodies foreseen for NHSP2 e.g. nutrition and HIV/AIDS	• SPA carried out, analysed and recommendations made • HR strategy finalised and Capacity enhancement Plan developed
3.2 Ensuring adequate number and diversity of health workforce in accordance with norms set by MOHP	Added activities from 3.3		Additional activities: • Identification of number of health workforce to be redeployed within VDC/municipality and district • Transfer of health workers from health facilities with surplus health workers to facilities with short supply
	Added new activities		• Reaffirm the authority that the DHHO has to redeploy staff to areas in need
	Added indicators from 3.3		• Percentage of health facilities with a surplus vs. percentage with a deficit
3.3 Redeployment of health workforce	Removed sub-objective	• Deleted sub-objective 3.3	• Moved to sub-objective 3.2
3.4 Improving quality of health services	Changed activities (date)	• Establish a system for review of quality health services by 31 January 2011	• Establish a system (need to define 'system establishment') for review of quality health services by 31 January 2012
	Added new indicator		• Existing set of defined SOPs for quality health services, at each level
3.5 Strengthening quality assurance and M&E	Reworded key objective	• Strengthening quality assurance through M&E	• Strengthening quality assurance through better use of M&E
	Added new activities		• Develop a joint M&E platform for health sector in Nepal (including NGOs) • Develop M&E plan to harmonise M&E for health sectors and continue dialogue in EDPs and government
	Added new indicators		• M&E plan developed • M&E working group of EDPs and government exists

Key objectives	Summary of changes	Original text	Adjusted text
4. FINANCIAL MANAGEMENT			
4.1Adequate and timely financial management at central, district and health facility levels	Added activity	• Software for integrated system(web-based transactional accounting system) to be developed and piloted in 10 districts by FY 2012/13	
	Changed wording of indicators	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the programme • Explore use of an integrated computerised system to link physical and financial progress	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the programme in a prescribed format (including photos submitted through HSIS) • Link physical and financial progress in the HIIS system
	Moved indicator to activity		• Link physical and financial progress in the HIIS system
4.2 Timely fund release to health facilities	Deleted activity	• Fix deadlines for key budget decisions e.g. list of health facilities selected for new activities and block grants by the DOHS and DHO to be included in AWPB •	
	Added activity		• 30% of annual budget released in the first trimester in 2012/13
	Reword indicator	• At least 85% absorption rate of committed funds for the health sector	• Absorption rate of committed funds for the health sector (at least 85%)
4.3 Improve the quality of asset management	Added and changed activities	• Regular updating of inventory of all assets under its use by taking physical count and reconciling the result with records • Improve inventory software for non-consumable fixed assets and strengthen LIMS • Introduction of Public-Private Partnerships in contracting out district-level monitoring of the quality of procured drugs and medical equipment • District-level capacity enhanced to comply with quality assurance of health care services	• Regular updating of inventory of all assets under its use by taking physical count and reconciling the result with records • Strengthen LMD's Inventory Management System at central, regional and district levels and link to web-based ownership of LMIS unit by MOHP/LMD • Introduction of Public-Private Partnerships in contracting out district-level monitoring of the quality of procured drugs and medical equipment, and district-level transportation of health commodities to health facilities

Key objectives	Summary of changes	Original text	Adjusted text
	Added indicators		• 100%monthly report ongoing • LMD recently revised auctioning disposal and write-off procedure guidelines which were endorsed by MOF to be used widely. PAM already present and active in MD • Independent district health monitoring committee to be established to monitor the overall health services in the district, quality and distribution of drugs and equipment in the district, and all health facilities. This committee should not have any government personnel • Verification of amount line budget item in AWPB • First round disposal of obsolete equipment by FY 2012/13 • Strengthening of fiscal assets management with adequate staff • Independent district health monitoring committee to be established to monitor the overall health services in the district, quality and distribution of drugs and equipment in the district, and all health facilities. This committee should not have any government personnel
	Deleted Indicator	• Staff position created/reallocated and filled	•
4.4 Update financial regulations for hospitals and for management committees			
4.5 Operating procedure made transparent for non-state partners/NGOs	Added activity		• Develop guidelines for non-state partners/NGOs involved in health sector
4.6 Adequate funds ensured for operation and maintenance of medical equipment and hospital buildings	Added activities		• Include at least 15% of the total budget of purchase of biomedical equipment for the installation, distribution and transportation to districts and health facilities • Include at least 5% of fund allocated procurement of equipment and new civil works • Contracting out of private sector institution for repair and maintenance of equipment in all levels of health facilities in two regions (mid- and far west) through support from KfW, the whole process owned monitored and endorsed by MD • For three regions, biomedical units to be established at the regional level for repair and maintenance work of equipment by LMD in conjunction with KfW • Budget released to each district for repair and maintenance of infrastructure to be made transparent though Health Infrastructure Information System (HIIS) • System of estimating the repair and maintenance work and endorsing the completion of work in the district for any repair and maintenance work by 'A' class engineers/architects registered at Nepal Engineering Council working with government technical entities in the district to be made compulsory
	Changed indicator	• At least 2% of budget is ensured for O&M in the budget	• Proportion of the budget ensured for O&M

Key objectives	Summary of changes	Original text	Adjusted text
4.7 Taking prompt action on audit irregularities	Added activity		• Develop action plan to rectify the issues identified through the audit processes
	Changed indicators	• Audit irregularities reduced to less than 20% • Action plan developed and implemented to rectify the weaknesses observed by the audits	• Percentage reduction in audit irregularities • Action plan for all preceding years developed and implemented by 15 November 2011
5. PROCUREMENT			
5.1 Procurement at central and district level	Added activity		• Procurement progress reporting able to monitor delays and whether re-bidding has to be undertaken owing to a lack of bid submissions, or had to be postponed with a justification note added to it
	Changed indicators	• Standards and procedures in place for procurement best practices • Districts reporting difficulties in procurement • Monitoring reports on procurement • Training conducted on procurement at least once a year for all DHOs and cost centres • QA is applied as a standard operating procedure at central and district levels	• Approved consolidated procurement plans • Procurement training reports (training sessions provided and received per year, by DHOs, DUDBC officials, cost centres) • Revised updated standard bidding documents, policies and guidelines developed and used • Pre-shipment reports available as required and post-shipment reports available for each procurement case • Performance audit in place for items/drugs supplied; positive report by performance audit • Decreased number of rejections at both central and district levels (observed through a random post-shipment inspection by centre at the district level) • Procurement progress reporting format also with an added column to monitor if delays or re-bidding has to be done due to no bid submissions or had to be postponed with justifications note added to it.
5.2 Timely availability of drugs, equipment and supplies	Added activities		• Adopt contracting out transportation of health commodities based on Logistics Management Information System (LMIS) from district to health facilities • Monitor DUDBC works on timeliness, quality and standards and coordination with DOHS's concerned divisions • LMD/districts to initiate e-bidding by second trimester this fiscal year (2011/12)
	Added and changed indicators	• Percentage of health facilities with tracer drug stock out	• Percentage of health facilities with reduced stock outages of tracer drugs (list of tracer drugs not yet defined). (Data source: quarterly LMIS data) • Number of successful multi-year contracts per year, by equipment, drugs and commodity contracts • Autonomous status of Nepal Drug Research Lab, independent from MOHP • Existence of e-procurement
6. ENVIRONMENT			

Key objectives	Summary of changes	Original text	Adjusted text
6.1 Ensuring continued access to EHCS for all people in the face of emergencies, crisis and conflict situations	Changed objective wording (using 'disaster' to encompass crisis, conflict, etc.)	• Ensuring continued access to EHCS for all people in the face of emergencies, crisis and conflict situations	• Ensuring continued access to EHCS for all people in the face of disaster situations
	Changed wording of activities	• Develop guidelines for immediate response and possible activities to deal with women and children and the poor affected by conflict • Provision of annual contingency plans and budgets for districts incorporating RH and Gender-Based Violence (GBV) issues • Ensure that all health facilities have and implement a waste management plan	• Develop guidelines for immediate response and possible activities to ensure continued access to EHCS • Provision of annual contingency plans and budgets for districts • Ensure that contingency plans and guidelines ensure equity through consideration of women, children and the poor
	Moved activity to go under 6.2	• Ensure that all health facilities have and implement a waste management plan	• Deleted
6.2 Promoting clean/solar energy	Changed objective wording to be about broader environmental issues	• Promoting clean/solar energy	• Promoting clean energy and environmental practices
	Added activities from 6.1		• Ensure that all health facilities have and implement a waste management plan
	Added new indicator		• Number of health facilities with a waste management plan
7. SOCIAL/EQUITY ACCESS AND INCLUSION			
7.1 Advancing the social inclusion of all citizens and ensuring government is more accountable			
7.2 HFMCs are established and effective			