



Nepal Health Sector Support Programme (NHSSP 3) – No Cost Extension

Health System Strengthening Progress Report

Date: February 2023



CONTENTS

- Abbreviations..... 3
- 1 Introduction..... 4
 - 1.1 Purpose 4
 - 1.2 Context 4
- 2 Programme updates 6
 - 2.1 Team updates 6
 - 2.2 Partnership updates 6
 - 2.3 Risk management 6
 - 2.4 Progress status of NHSP3 annual recommendations..... 6
- 3 Progress on Health Systems Strengthening 7
 - 3.1 Governance and accountability..... 7
 - 3.2 Equity-based planning 8
 - 3.3 Quality and Coverage..... 10

ABBREVIATIONS

AWPB	Annual Work Plan and Budget
BEK	British Embassy Kathmandu
CEONC	Comprehensive Emergency Obstetric and Newborn Care
CSD	Curative Services Division
DoHS	Department of Health Services
FA	Financial Assistance
FCDO	Foreign Commonwealth & Development Office
HMIS	Health Information Management Systems
IHIMS	Integrated Health Information Management Section
MoF	Ministry of Finance
MoHP	Ministry of Health and Population
NCE	No-Cost Extension
NDHS	Nepal Demographic and Health Survey
NHFS	Nepal Health Facility Survey
NHSP	Nepal Health Sector Programme
NHSSP	Nepal Health Sector Support Programme
NNRFC	National Natural Resources and Fiscal Commission
NPC	National Planning Commission
PHD	Provincial Health Directorate
PM	Prime Minister
PPFM	Procurement and Public Financial Management
TA	Technical Assistance

1 INTRODUCTION

1.1 PURPOSE

The Nepal Health Sector Support Programme 3 (NHSSP 3) as the technical assistance (TA) component of BEK's Nepal Health Sector Programme III (NHSP3) received a one year no-cost time extension (NCE) to allow continuity of TA for completion of retrofitting of the two public hospitals, and to enable essential components of health reform in the context of federalism. This document is a progress report on the health sector developments and the TA support, and fulfils the requirements of the FCDO-Options contract PO 7636 and associated payment milestones. The purpose of the report is to apprise the Ministry of Health and Population (MoHP) and the British Embassy, Kathmandu (BEK) of the progress of NHSSP 3 during the period 1 January to 28th February 2023. For further details about the programme including the scope of NCE please refer to the relevant annexes provided in this document.

1.2 CONTEXT

Nepal successfully held general elections on 20th November 2022, and a coalition government led by CPN-UML, Rastriya Swatantra Party, and Rashtriya Prajatantra Party was formed with Pushpa Kamal Dahal (Prachanda) the Chairman of the Maoist Centrist party, as the new Prime Minister (PM) of the country. However recent unexpected developments within two months of government formation have led to an overnight turn of events bringing down the incumbent seven party coalition government¹. With the withdrawal of support of some of the parties, a new coalition government is expected, with Prachanda continuing as the PM. These new developments are expected to bring changes at the Ministry of Health and Population, which is likely to have new Minister after Presidential election or after the new coalition is formed. Follow-on changes at the provincial government level are also anticipated.

Developments at the provincial level in the recent months that are worth noting, are the decision to move the provincial capital in Lumbini from Butwal to Dang. As a result of this, the provincial Ministry of Social Development and the Ministry of Health and Population have moved to Dang, while the Provincial Health Directorate (PHD) continues to operate from Butwal. In Madhesh, there has been a recent change at the leadership level following the retirement of the Provincial Health Director, and a new appointee is in place.

The health sector has been dealing with an ongoing outbreak of measles in Lumbini, Karnali, Sudurpaschim, Madhesh and Province One for over two months. A total of nine districts have been affected with 615 reported cases and one death. The containment activities with active search of the cases, outbreak response, immunisation, and accelerating surveillance function is underway in with province and local levels collaborating on this. The outbreak is being viewed as a major setback to the measles elimination target set for 2023. Family Welfare Division had organised a review meeting on regular and COVID-19 vaccination programme and Measles Rubella epidemic response and preparedness in January 2023 in Kathmandu. As of mid-January 2023, more than 63 million doses of COVID-19 vaccines

¹ This comprised of CPN-UML, CPN (Maoist Centre), Rastriya Swatantra Party, Rastriya Prajantra Party, Janata Samajbadi Party, Janamat Party and Nagarik Unmukti Party

have been received, 82.5% of total population received 1st and 2nd dose vaccination. Around 31% of total population received booster dose of COVID-19 vaccination. A recent World Bank (WB), Asian Development Bank (ADB) and Gavi mission to Nepal too assessed the COVID-19 vaccination programme, and MoHP has requested Gavi for 1.5 million booster doses of COVID-19 vaccine.

On 28-29 November 2022, the Ministry of Health and Population (MoHP), Government of Nepal (GoN) organized the National Joint Annual Review (NJAR) of the fiscal year (FY) 2021/22 together with Health Development Partners (HDP). This review was the final annual review of the implementation progress on Nepal Health Sector Strategy 2016-2022 (NHSS). Overall, the review found that budget provision has been increasing over the recent years although continue to be inadequate for achieving universal health coverage and meeting the growing needs of the population. Health budget as a proportion of the national budget had increased during the COVID-19 pandemic but subsequently decreased. In the current federal system, sub-national governments, however, have been increasing their health sector allocations.

The new Nepal Health Sector Strategic Plan 2022-30 (NHS-SP) has been reviewed and comments that MoHP received have been responded. It was forwarded it to the Cabinet for its endorsement on 27th Feb 2023. Given the recent political developments within the government, a delay to endorsement can be expected.

2 PROGRAMME UPDATES

2.1 TEAM UPDATES

A total of 16 staff continued from the previous phase to the NCE phase including a mixed group of technical health infrastructure and health systems staff as well as programme management team members. In addition, NHSSP recruited for 15 key positions through competitive processes, and some of the recent recruits have joined mid-Feb, and the full team is expected to be in place by March 2023.

2.2 PARTNERSHIP UPDATES

Effective coordination is a key part of NHSSP implementation and TA continues to strengthen its engagement with the government at federal and sub-national level. The first step towards this as a part of the NCE was a 'Strategic Outlook Meeting' (16th & 17th Feb 2023) with the key government officials from federal MoHP and provincial Health Ministries, and Crown Agents (the PPFM partner for NHSP3) along with BEK. Following this, NHSSP Co-Team Leaders also met with the Director General and other Directors of the various Divisions of DoHS to discuss the TA approach and scope for the NCE and understand their priorities.

2.3 RISK MANAGEMENT

NHSSP is monitoring potential risks including.

- Worldwide economic crisis leading to high inflation
- Changes in UK ODA policies
- Changes in key government staff, particularly at the MoSD at provincial level are expected (e.g. in Lumbini) following change of the coalition at federal level. Although no direct and immediate repercussions on the technical work per se are expected, the changes may affect the pace of TA work at federal and provincial level, particularly if the provincial governments change. The location of provincial MoHP and PHD in two different cities of Lumbini may affect the pace as TA staff are placed across locations and may require frequent travel between them. NHSSP TL – Krishna Sharma has continued to engage with government officials at federal and priority provinces, and NHSSP provincial staff have begun to engage with wider teams within the provincial government to establish relationships. This will help to ensure that plans discussed and agreed will have continuity in case of any changes of key personnel.

2.4 PROGRESS STATUS OF NHSP3 ANNUAL RECOMMENDATIONS

The Annual Review of the previous phase of NHSP3 included for the TA programme, several of which were taken on board and included within the agreed NCE Scope of Work (SoW) and Workplan. NHSSP NCE TA focus on enabling strengthening of sub-national government is in response to the AR recommendations. The new team appointed as a part of the recent recruitment process for the NCE at federal and sub-national levels will progress on these recommendations as further work develops in the coming months. For details on the progress on specific recommendations relevant to NHSSP NCE workplan have been included in Annex 3.

3 PROGRESS ON HEALTH SYSTEMS STRENGTHENING

3.1 GOVERNANCE AND ACCOUNTABILITY

Contextual summary:

In January 2023, the Department of Health Services (DoHS) initiated the Annual Work Plan and Budget (AWPB) development process with a review and planning workshop where all the Divisions, Section Chiefs and MoHP counterparts were actively engaged. This enables prioritisation for AWPB well in advance of the budget ceiling allocation from the Ministry of Finance (MoF). The National Planning Commission (NPC) has fixed the budget ceiling for the fiscal year 2023/24 at NPR 1.688 trillion, which is lower than the announced budget for the current fiscal year by NPR 105.43 billion. Following the downsizing of the budget for FY 2022/23 and adoption of austerity measures due to inadequate revenue collection, the NPC decided to lower the budget ceiling. Based on the NPC's threshold, the MoF will take further initiatives to prepare the budget for the next fiscal year.

Amidst these developments, National Natural Resources and Fiscal Commission (NNRFC) has recently recommended decreasing the share of basic conditional grant allocations, and an increase in the share of equalization grants to foster more fiscal space for local and provincial planning. This might affect the approach for AWPB preparation in the sector Ministry.

Key progress against TA plans: (over the reporting period)

1. Enhancing capacity for internal health budget advocacy and budget tracking within governments

This work is yet to begin; and will be the priority activity for the new team as they embed themselves at the federal and provincial levels.

2. Improving procurement processes at Provincial and Local levels

NHSSP Procurement Advisor, has been recently placed within the Management Division at the DoHS, and begun initial conversations with the Logistics Management Section (LMS) to plan TA support. The Governance and Accountability Lead and Procurement Advisor have developed a detailed TA plan which will form the basis for consultations and alignment of support to federal and provincial governments in the coming weeks. This will help ensure TA to be fully responsive and actively focus on strengthening sub-national governments, as recommended by the NHSP Annual Review.

3. Strengthening financial accountability across Provincial and Local Governments

The Governance and Accountability Lead has held initial meetings with PPFM suppliers (Crown Agents) to understand immediate priorities for NHSP3 and areas where TA support should focus to ensure financial accountability. Following this NHSSP has begun discussions with the federal MoHP to support their efforts to develop the financial monitoring report.

4. Enhancing social accountability in health sector through better government-citizen interface

Led by the Equity-based Planning Lead, NHSSP has been developing the methods and tools for undertaking the planned Health Facility Operational and Management Committees (HFOMC) assessment.

Challenges (if any) and reasons for it:

There have been no challenges to the work so far.

Lessons learnt and implications for further TA support

Lessons will be documented as the planned TA support to federal and sub-national levels progresses.

Key communication activities

These will be undertaken as the planned TA support to federal and sub-national levels progresses.

Upcoming priorities

- Facilitating the FMR Preparation Meeting on 8th and 9th of March together with MoHP counterparts.
- Preparing the provincial and federal work plan in consultation with the GoN counterparts.
- Finalization of the HFOMC Assessment protocol and execution of the assessment.
- Conducting quarterly progress update meeting at FMOHP and Province.

3.2 EQUITY-BASED PLANNING

Contextual summary:

One of the major events in the recent past was the release of the Nepal Demographic and Health Survey 2022 (NDHS) in November. MoHP disseminated the results on the key indicators which showed that there has been a good progress in some of health indicators for maternal and child health. Birth rates have decreased, ante-natal care and institutional delivery rates have improved substantially. But there were also some areas where health indicators were stagnant, showed slow progress, or inequitable demanding renewed focus.

The Health Sector Annual Report which is generated based on the Health Information Management Systems (HMIS) data has been finalised and is ready for publication. The Integrated Health Information Management Section (IHIMS) expects to circulate this in the coming weeks.

MoHP completed the Maternal Mortality Study in 2022, alongside the Census 2021. The release of these reports which was expected in December 2022, have been delayed as their endorsement from the Cabinet is still awaited.

All these data sources along with other survey such as the Nepal Health Facility Survey (NHFS) 2021, and budget data are expected to support planning exercises within the government.

Key progress against TA plans (over the reporting period):

1. Support regular monitoring of Basic Health Service delivery

NHSSP is continuing its support to the monitoring of the BHS, following the development of the framework and the dashboard. TA is currently a part of the Rapid Results Initiative (RRI) being led by the Policy Planning and Coordination Division of the federal MoHP, which includes the development of a monitoring tool to be piloted at the provincial level. This will help operationalise the monitoring framework previously developed.

2. Expand the net of people who can interpret data and evidence; and facilitate cross-palika learning

This work is yet to begin; and will be a priority activity for M&E and Information Systems Advisor and the provincial teams in Madhesh and Lumbini.

3. Support to evidence-based planning and knowledge exchanges

The first activity under this area has been to organise a provincial level Knowledge Café / Policy Dialogue in Lumbini province. With the agreement of Lumbini Secretary, the event has been scheduled for the 3rd of March, and will include a discussion between the provincial and invited local level representatives on the key health priorities for the province. The TA federal and provincial teams have been supporting provincial government counterparts to design and plan for the event. This has included analysing recent evidence on health from the Nepal Health Facility Survey and the Nepal Demographic and Health Survey, supplemented by other data from the HMIS.

The team is contributing to knowledge sharing on equity in health through contributions to the Women’s Health Conference being organised by FWD on March 9th/10th. Three abstract submissions have been made which draw on learning from the work supported by the previous phase of NHSSP.

Challenges (if any) and reasons for it:

Due to the fragile political situation and instability of the current government in Lumbini province, planning and execution of the policy dialogue has been delayed since February 2023. It has been planned for March 2023, in agreement with the Provincial Health Secretary, and the team has been working closely with officials in the Ministry of Social Development and the Provincial Health Directorate.

Lessons learnt and implications for further TA support:

Lessons will be documented as the planned TA support to federal and sub-national levels progresses.

Key communication activities:

These will be undertaken as the planned TA support to federal and sub-national levels progresses.

Upcoming plans

- Execute the policy dialogue and documentation of the Lumbini event
- Plan event for knowledge generation and exchange in Madhesh
- Undertake analysis for the HFOMC assessment
- Initiate discussions at palika level on budgets and evidence use

3.3 QUALITY AND COVERAGE

Contextual summary:

The BHS Standard Treatment Protocol (STP) provincial orientations to develop district-level facilitators and orientations for provincial health offices (PHOs), and doctors and paramedics from provincial hospitals in the NHSSP focal provinces have been completed. Further orientations to local levels and facilities have been planned and conducted in some places. These will help service improvements in terms of clinical delivery.

Comprehensive Emergency Obstetric and Newborn Care (CEONC) functionality has been a challenge particularly in remote areas. This continues to be so in the federal context as funding and accountability lines are unclear. Family Welfare Division (FWD) also does not have dedicated human resources to provide the mentoring and oversight for CEONC services. These are issues that are being discussed at federal level.

Curative Services Division (CSD) has recently finalised the MSS tools for tertiary hospitals and the State Minister for Health at a meeting has also confirmed that all hospitals have to mandatorily undertake these assessments.

Key progress against TA plans (over the reporting period):

1. Developing capacities to support effective delivery of Basic Health Service (BHS) package

This work is yet to begin; and will be the priority activity for the new team as they embed themselves at the federal and provincial levels.

2. Ensuring access to services is equitable and provision is high quality

The provincial teams have initiated discussions on support to planning processes where on the basis of evidence priorities can be set to improve institutional deliveries, particularly in specific geographical pockets within each province. The Knowledge Café / Policy Dialogue planned in Lumbini will include discussions on this aspect.

3. Enabling emergency obstetric services to be functional, timely and better linked

A concept note for undertaking a consultative review of CEONC monitoring and development of action plan for strengthening the functionality and quality of CEONC services, has been developed. A discussion based on this note is planned with the Director of FWD, to seek views and feedback and plan TA support for this. The need for this review was identified by FWD and NHSSP in the previous phase.

Challenges (if any) and reasons for it:

There are no challenges to report.

Lessons learnt and implications for further TA support

Lessons will be documented as the planned TA support to federal and sub-national levels progresses.

Key communication activities

These will be undertaken as the planned TA support to federal and sub-national levels progresses.

Upcoming priorities

- Discussions with Curative Services Division and TA support plan for updates to MSS tools for primary level
- BHS-STP roll-out in the focal NHSSP palikas
- Discussions with FWD and agreement on further processes for undertaking review of CEONC services
- Agreeing with Robson Central Committee on further support to roll-out and implementation of c-section monitoring
- Peer sharing of process and lessons learnt from implementation of inter-facility referral in Argakhanchi