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

Health System Strengthening Progress Report

Date: July 2023

CONTENTS

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 Aid
FCDO	Foreign Commonwealth & Development Office
HMIS	Health Management Information 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
NMMS	Nepal Maternal Mortality Survey
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 1st March to 30th June 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

Following the elections late last year, party coalition composition governing the country changed. While a seven-party coalition continues to rule, led by the Nepal Communist Party (Maoist), the changes in the parties that had initially agreed to collaborate changed thereby leading to reshuffles within the governments at the federal as well as provinces, including the provincial ministries. These changes have meant that a new of Minister of Health & Population (Mr Mohan Bahadur Basnet) was appointed in May 2023. At the province level this had led to changes coalition changes in Lumbini to be led by Nepali Congress. In the Madhesh although the government remained the same, the provincial governance structures changed, with a new Ministry of Health being created that separates the health function from the Ministry of Social Development where it was previously placed. Subsequently a new Minister of Health and a Health Secretary have also been appointed in Madhesh.

Political disagreements on a number of issues continue to surface, creating hurdles to the deepening of federalism. Local level governments are increasingly vocal about their independence to make decisions, and in some cases have raised questions about how the budget ceilings and conditions have been set. Changes in leadership at the provincial level have meant the lack of full ownership on certain activities and changes to goalposts that had been set previously.

Nepal has halved the poverty rate rapidly (over seven years) and has also seen an equally significant decline in income inequality. However, economic growth rates have remained low at an average annual rate of 4% over the last 45-50 years. Although a report by the National Planning Commission (NPC) of Nepal, projects Nepal will graduate to a middle-income country by 2030, a number of macro-economic indicators do not present a hopeful picture. Wider economic pressures due to Ukraine war and the year-on-year inflation continuing to be high at nearly 7% have affected daily prices and living.

While the NPC estimates that revenue collections will improve over the next few years, with and predicted to reach 1.831 trillion NPR by FY 2025/26, current scenario appears bleak with the Government of Nepal already have made cuts to the overall budget for the coming FY 2023/24 by over 200 billion NPR as compared to last FY as revenue collections have been negative. With economic pressures also mounting due to low reserves of foreign currency and an increase in the outstanding debt by over 200 billion NPR, with debt to GDP ratio currently at over 40%. Analysts suggest that some of the economic pressure are

repercussions of the COVID-19 pandemic, which may have affected the income from remittances which is more than a quarter of Nepal's GDP.

The Health Sector Budget for Fiscal Year 2023/24 (Red book) was released Cuts in the overall budget have meant the health sector budget has been reduced by nearly 17% since last year's budget. This may have an adverse effect on the delivery of quality health services and make it harder to sustain and improve on the gains made in terms of the health indicators. A further discussion on the budget is provided in Section 3.

In May, the WHO Director-General declared that COVID-19 was now an established and ongoing health issue and no longer constituted a public health emergency of international concern. A second wave of measles outbreak has been reported in several provinces, and the high number of cases in Lumbini (Nepalgunj) is being attributed primarily to the lack of immunisation, despite the availability of a safe and cost-effective vaccine. Coinciding with the monsoon season, a rise in dengue cases are also being reported. As of 15 July 2023, a total of 2,930 dengue cases were identified from 68 districts, with Koshi province reporting highest number (1,746 cases).

Some of the positive advancements within the MoHP have the endorsement of significant strategic documents such as the Nepal Health Sector-Strategic Plan 2023-2030, the National Health Financing Strategy 2023-2030, and the official release of the National Health care Quality Assurance Framework, 2023. In addition to this, major survey findings have been also released including the Nepal Maternal Mortality Study[1] (NMMS) 2021 and the Nepal Demographic and Health Survey[2] (NDHS) 2022. Moving forward it will be important for donor-government engagement that the Joint Financing Agreement that has already been discussed is signed.

[1] MoHP, NSO. (2022). *National Population and Housing Census 2021: Nepal Maternal Mortality Study 2021.* Kathmandu: Ministry of Health and Population; National Statistics Office.
[2] Ministry of Health and Population [Nepal], New ERA, and ICF. 2023. *Nepal Demographic and Health Survey 2022*. Kathmandu, Nepal: Ministry of Health and Population [Nepal].

2 PROGRAMME UPDATES

2.1 TEAM UPDATES

There have been no changes in the team, which currently includes 21 technical staff .

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. Continuing the strong engagement with the key government officials from federal MoHP and provincial Health Ministries, and Crown Agents (the PPFM partner for NHSP3) along with BEK, NHSSP has held a series of meetings to discuss the TA approach, present progress and. Discussions held at these meetings are duly noted and actioned.

2.3 RISK MANAGEMENT

NHSSP is monitoring all potential risks, including those that involve leadership change within the Ministries at federal and provincial level. These have been managed through regular communication and meetings with the relevant stakeholders. Annex 2 includes the risk matrix which provides the complete picture.

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. 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:

The federal Ministry of Health and Population released two critical strategies that define the future of the health sector. The Nepal Health Sector Strategic Plan (NHS-SP) 2023-2030, which has been in the process of drafting over the last two years, was endorsed by the Cabinet and shared publicly in June 2023. The NHS-SP 2023-20 sets out the direction and objectives that the country will pursue for each of the health system's components and for wider determinants of health. This was drafted following extensive consultations and an in-depth review of the progress on the previous sector strategy. NHSSP had provided substantive technical support in the drafting of the strategic plan. The second crucial document that was also endorsed in June, was the National Health Sector Financing Strategy 2023-2023 which focuses on financial protection for Universal Health Coverage.

Over this period, the Govt. of Nepal released its budget (total of 1,751,312 million NPR) and a very preliminary analysis of this shows a 2.37% decrease of the overall budget for the coming FY 2080/81 as compared to the previous FY 2079/80. The health sector budget is 102,769 million NPR and constitutes 5.87% of the national budget which is lower than the previous year which was at 6.87%. The overall reduction of the health budget since FY 2079/80 is 16.62%. External partner contributions to the federal MoHP budget also seem to be reducing by nearly 23% as compared to last year (See Table below). The reductions within the health sector allocations are largely at the federal level with nearly 28% reduction, and a small reduction of 2.2% at the provincial level. Budgets for the local levels have been increased by nearly 10%, which appears to be in the right direction for federalism.

Nepali Financial Year	National Budget (Overall)	National Budget (Health Sector)	% Share of National Health Sector (in National Budget)	Total FMOHP Budget (Excluding Other Health Entities)	Donor/EDP Contribution (on FMOHP Health Budget)	% of EDP Share	% of FMoHP Budget (in National Budget)
	(a)	(b)	(c=b/a)	(d)	(e)	(f=e/d)	(g=d/a)
2079/80	1,793,837	123,255	6.87%	103,091	20,423	20%	5.70%
2080/81	1,751,312	102,769	5.87%	86,109	15,766	18%	4.90%
% Change	**-2.37%**	**-16.62%**		**-16.47%**	**-22.80%**		

The above is an initial exercise to understand the budget spread, but concrete insights into the implications of these budget reductions can be understood only after the full budget is understood. NHSSP's understanding from having engaged on the various AWPB meetings indicates there could be the following potential implications of these budget reductions on the health system:

- Resource cuts are expected to affect capacity building efforts across all levels.
- Planned cuts in HR recruitment, for the contractual staff, will affect service delivery coverage and quality, as HR constraints already exist. With the O&M survey not having been completed there is no clear idea of what the need is, but with budget

cuts it is likely sanctioned positions projected in the survey, may under-estimate the growing need (and smaller fiscal space).

- Large cuts at the federal level will affect monitoring and supervision of activities, and particularly in the light of low capacities at local levels this may affect technical quality of services.
- Increased budgets at the local level might increase the fiduciary risk and may require robust technical assistance for financial management.
- Resources needed for infrastructure development and equipment support can be delayed, and might affect 5/10/15 beds hospital construction.
- Services at federal hospitals might be affected if there have been direct budget cuts in the hospitals
- Adequate procurement of commodities at the federal level (vaccines & family planning) may get affected that might affect the basic health care service delivery (unless donor funding is sustained).
- There is less space for innovations to be introduced in health care delivery.
- Preparedness for any unexpected shocks and challenges (e.g. epidemics) might be weak

Key progress against TA plans:

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

A key role NHSSP has played is to support the sharing of regular financial reporting of the donor financial assistance between MoHP and BEK. In this regard, NHSSP has provided technical guidance to FMoHP to retrieve and analyse Financial Management Information System (FMIS) data to prepare a Financial Monitoring Report (FMR) for pool fund partners, and analyse disbursements from pool partners in Foreign Currency Account (FCA) and reconciliation of reimbursements. This was shared with BEK in March 2023.

NHSSP TA over the last few months has supported the budgeting process across the three levels of governance. TA has facilitated discussions with spending units for allocating adequate budgets for priority health programmes that is based on evidence and various concerns in the health sector. At the federal level, TA was extended to support a range of public governance and financial management activities such as reviewing budgets and tracking expenditure of the FY 2079/80, advising for preparation of medium-term expenditure framework (MTEF) for the period of 2080/81 to 2082/83, facilitating the Line Ministry Budget Information Systems (LMBIS) activities, and addressing issues in ineligible expenditure and reconciliation of reimbursement and disbursement amount from donors. 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 respective counterparts including NHSSP, actively engaged in planning for the conditional grant related programmes and activities for the provincial and local levels.

In the two focal provinces, including the ten local levels, NHSSP teams assisted in organising a series of consultative meetings, analysing and presenting health-related evidence, setting priorities and, sorting proper activities and action plans to be prioritised. With continuous backstopping from the federal level NHSSP advisors the provincial teams, aimed at facilitating policy and programming decisions to align between the federal and sub-national levels.

Key budget advocacy and budget tracking support to the governments at sub-national level has included:

- Various consultative workshops/meetings for the preparation of annual policy and programmes for the next year 2081/82 in health ministries.
- Extracting and analysing useful information related to medium-term expenditure programmes and health target settings (Lumbini)
- Workshops presenting evidence in health indicator progress in municipalities, facilitating health priority setting and finalising action plans in 10 municipalities (6 municipalities in Madhesh and 4 municipalities in Lumbini), for the upcoming fiscal year 2080/81
- Review meetings and identifying poor performance programmes, institutional bottlenecks and administrative and financial flows challenges
- Finalisation of province guidelines on safe motherhood at the local level (Madhesh) – in collaboration with WHO and UNFPA partners
- Preparation of Annual Health Operational Calendar, 2079/80 (Madhesh)
- Capacity building through mentoring and monitoring meetings with social development committee members, health section chiefs, planning officers' health facility operations and management committee members and others at municipalities and wards clusters.

As discussed above, there have been cuts in the health budget, and in light of this NHSSP TA team has paid closer attention to the engagement with elected representatives and officials to allocate adequate budgets. For example, Lumbini province has allocated the same amount of health budget NPR 4.43 billion for the next fiscal year 2080/81, which nearly the same as current year's health budget of NPR 4.5 billion (10% of the total province budget). Also, in Sisne rural municipality – a focal palika for NHSSP, has allocated NPR 5.7 million health care management from own source revenues and fiscal equalisation grant transfers.

2. Improving procurement processes at Provincial and Local levels

NHSSP TA to procurement has been extended to provincial and local levels, through onsite coaching and issues-based advice on procurement laws and rules, contract administration and procurement methods (such as technical specifications, bidding and quotations). At the DoHS, detailed inputs to preparing a health sector note on Public Procurement Act amendment and e-GP Guideline-2079 were provided, which is being amended by the Office of the Prime Minister and Council of Minister (OPMCM) and Public Procurement Management Office (PPMO).

Review and preparation of the Consolidated Annual Procurement Plan (CAPP) is underway in DoHS, and NHSSP TA has facilitated meetings for this. NHSSP has also provided biomedical engineering support to DoHS through short-term technical assistance which has helped prepare technical specifications and undertake bid evaluations of medical equipment and quality assurance procured items.

At the provincial levels, support has been provided to the roll-out and monitoring of Procurement Improvement Plans (PIPs) implementation. In-person and virtual coaching sessions have been conducted to facilitate the development of Annual Procurement Plan (APP) and other procurement processes at local levels, jointly with Provincial Health Ministry/Directorate and the Logistics Management Centre.

3. *Strengthening financial accountability across Provincial and Local Governments*

During this reporting period, Madhesh and Lumbini provinces endorsed two important documents - the Financial Improvement Plan (FMIP) and Procurement Improvement Plan (PIP) and started implementation. NHSSP TA has started tracking the progress of this implementation and documenting key lessons for further enhancing accountability. Field teams have been supporting reviewing and sharing of audit issues and assisting provincial authorities to prepare action plans and coordinate with other governance and treasury actors, reporting back the status. NHSSP embedded team in Lumbini province, discussed the audit irregularities (as shown in OAG 5th report) and enabled decisions about settling arrears to maintain financial discipline.

FMoHP organised a PFM committee meeting in June that NHSSP supported by helping update the PFM Committee Terms of Reference (ToR) in partnership with BEK PPFM supplier (Crown Agents), which the committee endorsed. The PFM committee stressed the importance of monitoring and regular follow-up of the implementation of the provision in FMIP and PIPs.

At the local level, the NHSSP team confirmed the status of self-assessment tools for municipalities such as Local Institutional Self-Assessment (LISA) and Fiduciary Governance Risk Assessment, and discussed preparation and implementation of action plans.

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

NHSSP undertook an assessment of the Health Facility Operations and Management Committees, in the focal provinces and findings have been shared through a report and technical briefs, as well as sharing sessions at with stakeholders at local level and provincial levels. The assessment suggests tapping the potential of HFOMCs for improvement in quality and access of the services and provides ways forward at all three levels including health facilities and development partners.

Challenges (if any) and reasons for it:

- Resolving audit issues and making spending units accountable involves significant engagement with government due to the sensitivity of financial information.

Lessons learned and implications for further TA support:

- The PFM committee is key to the effectiveness of coordination among donors and health officials, and is a good platform for discussing various PFM initiatives and ensuring the sustainability of good practices in health governance and financial management. Additional TA support/resources to build the capacity of committee members and strengthen PFM practices will be important.

Upcoming priorities:

- NHSSP to continue focus on financial management strengthening through support to FMR preparation, tracking of FMIP and PIP implementation, analysis of audit status in NHSSP-focused municipalities,
- Support to FMoHP to organise key meetings such as finalisation of JFA, finalisation of TA framework, and facilitation of the Joint Annual Review

- Conduct the study on health sector leadership and governance at the subnational level to deliver basic health services
- Support updates to provincial health policy and provincial health service regulations, and preparation of annual programme implementation guidelines at province and local levels
- Strengthen the capacity of the Health Facility Management and Operation Committee (HFOMC) of provincial institutions and health sections of LGs and JD of provincial health workers and health workers.

EXIT ACTIVITIES

Technical support/service	Actions	Timeline (in 2023)
Strengthen coordination mechanisms within and between levels of government		
Basic health services coordination	Assessment of BHS will be completed by September, and dissemination of findings will be done by October at provincial and federal levels.	Report to be ready by end September Dissemination to be completed by October
Improve procurement processes		
PIP implementation monitoring	Tracking of PIPs at the provincial level will be completed by September. Regular discussions and on-going feedback and support will be provided till end of October. Findings from the report will be shared through a dissemination session in each province	Report to be ready by end September Dissemination to be completed by October
Strengthen financial accountability		
FMIP implementation monitoring	Tracking of FMIPs at the provincial level will be completed by September. Regular discussions and on-going feedback and support will be provided till end of October. Findings from the report will be shared through a dissemination session in each province	Report to be ready by end September Dissemination to be completed by October
Enhance social accountability in health sector through better government-citizen interface		
HFOMC strengthening	Findings from the HFOMC report have been shared with local and provincial government stakeholders. Further activities with HFOMCs are being undertaken at the local levels with Health Section Chiefs and health facilities through the one-to-one mentoring sessions as well as Learning circles. These will be completed by October.	Final closing sessions by end of October

3.2 EQUITY-BASED PLANNING

Contextual summary:

Results from the two large surveys were recently released by the government - the Nepal Maternal Mortality Study (NMMS) 2021 and the Nepal Demographic and Health Survey (NDHS) 2022. The NMMS, 2021 report which was released in March 2023 showed that the maternal mortality ratio (MMR) had reduced significantly since 2016, which is an important achievement for the country. With the current MMR at 151 per 100,000 livebirths at national level, the Sustainable Development Goal (SDG) target of 116 per 100,000 livebirths by for

2022 could not be achieved, which shows that despite the achievement pace of progress has not been ideal. There are also sub-national variations with highest mortality in Lumbini t at 207 deaths per 100,000 livebirths, and lowest in Bagmati province at 98 deaths per 100,000 livebirths. The drivers of these differences in mortality ratios at the sub-national level need to be fully understood. NHSSP has supported Population Management Division to develop national and provincial factsheets, and infographics for dissemination of the results at national and provincial level, which MoHP plans to undertake in the near future.

The final NDHS, 2022, report was shared in June 2023, by MoHP along with a factsheet, a summary report and a poster with key findings in Nepali and English languages. Results show that birth rates in the country have decreased, and ante-natal care and institutional childbirth rates have improved substantially. But there are some areas where health indicators were stagnant, showed slow progress, or inequities. A detailed analysis of the findings is being planned to understand which actions will need prioritisation to move the health outcomes.

The new data have now spurred an interest nationally and sub-nationally to further understand the equity dimensions of the findings. Moving forward this is expected to enable more responsive planning and programming within the government, as the recently endorsed NHS-SP 2023/30 is operationalised.

Key progress against TA plans

1. Support regular monitoring of Basic Health Service delivery

Under the leadership of Policy Planning and Monitoring Division (PPMD), three Rapid Result Initiative (RRI) groups were formed to develop frameworks and implementation plans for National Health Financing Strategy. Among the three RRIs, NHSSP has been supporting RRI- 3 Basic Health Service (BHS) Monitoring Framework. Several meetings have been conducted to develop the draft and a field visit was conducted to pilot test the tools and framework at local level. The monitoring framework is planned to be finalised by end of September 2023. In Madhesh province a template was drafted to prepare monthly update of BHS delivery at health facilities. It is planned to provide the template to each facility in six local levels of Madhesh province so that the delivery of BHS can be updated and monitored in regular manner.

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

NHSSP continues to focus on supporting strengthening of data use through various ways. At the federal level, the Integrated Health Information Management Section (IHIMS) developed a module on Public Health Analytics (PHA) for training health workers on use of data, and NHSSP supported in updating the training package for its roll out at provincial and local level. In the last fiscal year, NHSSP had supported IHIMS to revise HMIS tools, finalise indicators and indicator compendium which has now led to updates in the DHIS2. NHSSP has now supported the cross verification of DHIS2 inbuilt indicators with the compendium and has provided technical feedback for the updates.

At the sub-national level, NHSSP TA has been supporting focal provinces and local levels in generation of data, ensure quality of data and promote use of evidence through various support like follow up on Routine Data Quality Assessment at health facilities level, onsite coaching to Statistics Assistants at local levels to identify data errors in DHIS -2 via data

quality app, support use of data at palika, district and provincial level monthly meetings and programme reviews.

RDQA follow up assessments reveal under reporting/counting errors from programme registers, inconsistency between sources of data and incompleteness of records primarily due to revision of HMIS tools. But our TA observations show that service data recording, reporting and data quality issues are rarely reviewed and discussed either at monitoring and supervision visits or at monthly meetings. Onsite coaching on various programme register maintenance, recording and reporting are therefore highly demanded by the health facility staff.

Provincial TA support has also been provided for timely and complete reporting, to data management committee meetings, training health workers on revised HMIS tools, and reviewing implementation of information systems (DHIS2, eLMIS, IMU, RDQA). While DHIS2 is the most functional and used system, eLMIS is mostly used for LMIS report entries and IMU is used only to verify vaccination related data. The full use of the data for programmatic progress is yet to be realised. Therefore, further support is required to ensure optimum use of information systems at local and provincial level.

3. Support to evidence-based planning and knowledge exchanges

NHSSP has provided support to or led on a number of activities that help improve access to right information and better knowledge exchange. This has included the technical support in review and finalisation of the Annual Report of DoHS for FY 78/79, which is yet to be published following changes in leadership at IHIMS. NHSSP also supported the preparation of the Nepali version of the summary.

Following the endorsement of NHS-SP 2023-30, NHSSP has facilitated discussions on how the milestones and targets outlined in the result framework can be monitored. At discussions with the M&E section under PPMD to review the targets for the indicators, it was decided that all Departments, Divisions, and Centres will be involved to develop a mechanism for regular monitoring of the NHS-SP 2023-30. NHSSP will support the preparation of indicator compendium for the indicators for common understanding and uniform reporting each year.

NHSSP had previously supported the GESI section under Population Management Division, MOHP to develop and orient officials on OCMC, SSU and Geriatric reporting platform. Following technological challenges with the serve, the reporting platform was non-functional for several months. NHSSP has now supported the revival of this platform on a new server space and has been supporting GESI section to retrieve the entered data in collaboration with IHMIS and GIDC. Also, NHSSP is supporting functionality of inter-operability of the OCMC, SSU and Geriatric reporting platforms and HMIS.

The Policy Dialogue in Lumbini province was conducted as planned, and NHSSP supported its conceptualisation and execution. This included analysis of recent evidence on health from the Nepal Health Facility Survey and NDHS 2022, supplemented by other data from the HMIS. It was complemented by a panel discussion to identify and evaluate the effectiveness of the activities implemented by provincial government. At federal level NHSSP contributed to knowledge sharing on equity in health through contributions to the Women's Health Conference organised by FWD on March 9th/10th. NHSSP presented two posters at the conference for sharing of learning and knowledge to wider stakeholders.

As part of knowledge exchange and evidence-based planning, Learning Circle events are being held in focal provinces. In Lumbini province participants from four focal local levels

discussed their Annual Workplan and ways in which they could identify areas requiring interventions using data, and what could be prioritised. In Madhesh province, participants from Parsa Rural Municipality health facilities exchanged their learning on their involvement in annual work planning and how priorities set by health facilities could be taken forward to municipal authorities. Enabling sub-national levels to use evidence for AWPB has been a key area of NHSSP TA support at the provincial and local levels through several other additional meetings to process and understand evidence in a systematic manner and develop evidence based AWPBs for upcoming F/Y 2080/81.

Challenges (if any) and reasons for it:

Changes in leadership in IHIMS has caused delays to release of the Annual Report for FY 78/79 which usually becomes the basis for further planning. In the absence of this it is likely the extent to which data could be being accessed universally across the country for planning purposes might be limited.

As this is a new approach (as compared to a traditional training programme) and understanding of how Learning Circle works and how it could help participants is still emerging, and there is a degree of uncertainty at the local levels about participating in them. NHSSP team has tried to overcome this by explaining its purpose and methods, but it requires considerable efforts to ensure high levels of engagement.

Lessons learnt and implications for further TA support:

- TA experience shows that equity issues are recognised and acknowledged as a part of the data analysis and discussions, but there continue to be challenges in translating this to concrete programmatic actions. This could be partly due to the ways in which the conditional grants are structured and the limited flexibility at the local levels to align them fully to local contexts. Any future long-term TA support may need to support ways in which planning and prioritisation processes are truly bottom-up.

Upcoming plans

- Continue organising Learning Circle events and document the lessons learnt.
- Organise Knowledge Cafés at federal and provincial level focusing on key topics such as public financial management, and sub-national level challenges to ending preventable deaths.
- Continue to support MoHP to develop mechanism for monitoring NHS-SP 2023-30, and the finalisation of the BHS monitoring framework via the RRI.
- Support to finalise PHA package.
- Support Health Coordination Division to undertake the local and provincial health sector progress review in Madhesh province.
- Continue provincial TA to data and planning related activities such as monthly meetings and reviews at sub-national levels to systematise use of evidence.
- Review and compile the result/issues on data quality found in RDQA assessment and prepare onsite coaching plan/package for health facility staff.

EXIT ACTIVITIES

Technical support/service	Actions	Timeline (in 2023)
Support regular monitoring of Basic Health Service delivery		

BHS monitoring framework	The BHS monitoring framework that was developed with NHSSP support to CSD, has now progressed further through the RRI, which is completely owned and led by the Government. NHSSP will continue to provide support for the finalisation of the updated monitoring that is expected to be completed by end of September. This would include participation in meetings and inputs through reviews of the framework. There will be no requirement of any specific handover activities from NHSSP. Following the finalisation of the monitoring framework, provide support to prepare concept note for updating the existing BHS monitoring data dashboard, and handed-over to the RRI team.	Monitoring framework to be completed by end of September. Concept note for data dashboard update to be prepared by end of October
Expand the net of people who can interpret data and evidence; and facilitate cross-palika learning		
Annual reviews at focal provinces and federal level	In the focal provinces, NHSSP will undertake the analysis of evidence to support the annual review activities to be counted at the sub-national levels prior to the final Joint Annual Review (JAR). All this will inform the development of the pre-JAR report which will be handed over the Government and EDPs	The pre-JAR report will be developed by mid-November and JAR will be held by end November
HMIS related data strengthening and use	Data Management Committees at provincial level are functional in both focal provinces. Focal persons are assigned for each province by IHIMS. Regular meetings are being organised at provincial level, and NHSSP participates/supports the strengthening of HMIS use. These will be continued and at a final meeting in October, NHSSP will undertake a session in each province to handover any relevant data and tools for future use of the govt.	This will be completed by end of October
Knowledge Café/ Policy Dialogues / Learning circles	The series of Learning Café's being organised by NHSSP will continue until October. Following each of these events, NHSSP has been documenting lessons which will be used to develop a final report. Learning from this will be shared at provincial level. NHSSP continues to support Knowledge Cafés/ Policy Dialogues as per topics prioritised by government counterparts. Reports and presentations from these events are shared with the Govt.	Lesson learnt report to be completed by end of October.

3.3 QUALITY AND COVERAGE

Contextual summary:

As discussed in the Governance and Accountability section, the health budget is reduced for the coming fiscal year. The implication of this for services has meant that the Government has prioritised the larger flagship programmes such as Aama Surakshya Yojana or CEONC services, that are mainly conditional grants to be continued without cuts or have had proportionately smaller reductions. Discussions at the FWD and programmatic support provided to the AWPB processes shows that reductions have primarily been made to activities such as monitoring and supervision of programmes, particularly from federal level. While these decisions will help ensure coverage of services, in a context, where the sub-national levels do not yet have the complete technical and managerial capacities, or structures to undertake monitoring and supervision, these cuts to federal activities are likely to have an effect on the service quality issues.

Moreover, there are continuing challenges with regard to human resources that have an effect on the quality of services. There has been a proliferation of the number of facilities at the local levels, partly due to local political advantage but also due to conflicting policies in the federal context. In the absence of a budget for HR at these facilities combined with staff shortages and locational preferences of health workers, services in many new and old facilities are expected to be affected.

The wider reform agenda for quality of health care in the country, which included the establishment of an accreditation entity and the operationalisation of the Quality Assurance Framework, is yet to take place. The acknowledgement of the importance of quality in the NHS-SP 2023-30, has however been significant to steer discussions on these issues and positive changes could be expected in the near future. It is against this backdrop that the NCE has continued to provide TA support to the governments across the three levels.

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

1. *Developing capacities to support effective delivery of Basic Health Services (BHS)*

Basic Health Services have taken centre-stage for the federal and sub-national governments, and this is seen from the accelerated action seen in agreeing on the monitoring mechanisms for the services (see reference to Rapid Result Initiative in Section 3.2). In addition to the RRI, NHSSP has been providing complementary support to build capacities of Health Section Chiefs and health workers to deliver the services. The roll out the BHS-STP has been completed in Lumbini province and most of Madhesh province, except in Bara and Parsa districts. The provincial government has planned to conduct two batches of the STP orientation to the health workers from early July, to cover the two remaining districts. NHSSP provided technical support to ensure readiness for quality implementation and development of trainers in alignment with budgetary allocation from the Curative Service Division (CSD). NHSSP will continue to seek opportunities at the local levels to ensure high quality implementation.

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

Among the range of activities that contribute to quality, a key priority for NHSSP has been the support to clinical mentoring over the past few years. Over the NCE period the efforts are to support cross-palika arrangements in partnership with the Health Office, to undertake

clinical mentoring. The NHSSP subnational team continues to coordinate and facilitate the movements of the clinical mentors from the provincial hospitals to the focal *palikas*. All the focal *palikas* in Lumbini Province and four of them in Madhesh have conducted clinical mentoring in this fiscal year. As Malangawa *palika* in Madhesh province does not have a birthing centre the authorities decided to use the funding to hire staff instead of conducting mentoring. Following the budget revisions for the upcoming fiscal year, it will be important to ensure that the *palikas* can continue receiving the mentoring support from the Health Office level. NHSSP will be using the opportunities arising through various meetings and Learning Circles to emphasise on this draw-down support that *palikas* can receive through the Health Offices.

Minimum Service Standards (MSS) assessments that are central to MoHP's approach to improving service readiness and quality, have been implemented in several facilities. NHSSP undertook a mapping of the status of this in the focal palikas and the supported its implementation in places where it had not been conducted in the current FY. Overall scores of these facilities shows that service readiness has improved (Table below), but actions to address gaps were weaker. NHSSP is undertaking a review of whether and how the action plans based on MSS assessments in selected facilities have been implemented. The report (Payment Deliverable E13) which is expected to ready by end of July will identify the barriers and facilitators for implementation these action plans in four focal *palikas*.

MSS Score	**No of HPs in the focal palikas**		**Remarks**
	2078/79	**2079/80**	
<50%	10	6	Decreased
50-69%	20	18	Decreased
70-84%	10	15	Increased
85-100%	0	1	Increased

The MNH QI dashboard currently being developed by NHSSP will provide the granular data from the clinical mentoring, QI process and Robson TGCS, and will allow are more in-depth picture on quality of care, that can complement readiness assessments and other periodic surveys. The aim of the data visualisation is to facilitate better understanding and use of data at the sub-national levels to plan and monitor.

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

NHSSP has been supporting emergency obstetric and newborn care services at policy strategy, programme design and implementation levels, which is crucial for preventing avoidable deaths. Timely access to services, availability of the complete medical care, and the use of the right interventions at the facilities are the three aspects that have been priority. In the previous years NHSSP has facilitation of a functional inter-facility referral system at the local levels, supported the expansion of CEONC services, and introduced a monitoring system to optimise C-sections. Continuing the support in the NCE in these three areas has been to ensure they are sustainable in the federal context.

At follow-on visit to Argakhanchi, where the inter-facility system was supported in the previous years, the NHSSP found that the free Emergency Obstetric Care (EOC) referral system continues to function and the Malarani *palika* has a well-maintained referral recording system as envisioned in the joint EOC referral guideline. Interruptions in functionality of CEONC services at the Argakhanchi Hospital had necessitated the palika level facilities to refer women to Lumbini Provincial Hospital, but they ensured that the referral system was used. Learning from this inter-facility referral system process was shared at the Women's Health Conference organised by Family Welfare Division, and further sharing with stakeholders in other *palikas* is planned for August 2023.

Although public CEONC services are now available across the country, functionality of these sites remains a challenge particularly in remote areas, due difficulties in HR retention at these areas and regular monitoring from the federal level. In the devolved context, it is important to have better functionality management and monitoring to ensure that women planning for childbirth at these remote sites are not denied services. NHSSP is leading on a consultative review (in discussion with the Safe Motherhood and Neonatal Health Sub Committee) to assess the current mechanisms in place at the federal and provincial level for a strengthening functionality and quality. The review report is expected to be shared by October 2023.

C-section optimisation is being aimed through the Robson TGCS and data has been regularly reported through the ODK platform by nine out of 33 hospitals that are recording the information. With NHSSP support, FWD will conduct a joint orientation for hospitals that are already implementing the system and other hospitals where it has been introduced recently, to ensure that the recording and reporting methods are well-understood. NHSSP in partnership with NESOG will also support FWD and Robson Central Monitoring Committee to review the implementation processes at facility level, and support use of the data to plan actions that contribute to optimising C-section rates.

Challenges (if any) and reasons for it:

There were no challenges to delivering the TA support, per se, although the progress had been slower than planned for a few activities. This is partly as the work in the Quality and Coverage area could begin only from April 2023, after the Quality and Coverage Lead joined. Also, planning and agreeing the work priorities for the NCE with government counterparts, have needed careful conversations to manage the expectations, which might be difficult to meet due to the current team composition and alignment with programme priorities.

Lessons learnt and implications for further TA support.

- TA from C&Q team in the NCE phase has mainly focused on consolidating the TA efforts in the past phases to ensure sustainability within the government system and ensuring mechanisms are in place to facilitate adoption by the government systems. Experience shows that such focused TA is needed to ensure there is momentum to move activities to a stage where there is full ownership and drive from within the government. This is particularly so if the programmes or activities were initiated and led by TA in the previous years.
- In the NCE, the leverage TA has to lead, influence programme pathways or completely meet all government expectations is limited because of limited programme resources. In

a context where the health budgets are reducing, this can be a further challenge for any future TA programmes.

Upcoming priorities

- Completion of the MSS review with a focus on the status of action plan implementation and a discussion of the barriers and facilitators for the implementation.
- Supporting decisions on the future of CEONC functionality and quality monitoring at sub-national and federal level, following the consultative reviews.
- Enable the Robson Central Monitoring Committee to meet and support FWD to build capacities of a focal person for Robson TGCS implementation.
- Support selected hospitals to analysing the Robson TGCS data and identify possible actions at facility-level to optimise C-section rates. Lessons from this could be used by the Robson Central Monitoring Committee to provide assistance to other hospitals too.
- Complete the data visualisation dashboard for the clinical mentoring, QI processes and Robson TGCS.
- Share cross-palika learnings on EOC referral strengthening in Argakhanchi with palikas in Rukum East.

EXIT ACTIVITIES

Technical support/service	Actions	Timeline (in 2023)
Developing capacities to support effective delivery of Basic Health Service (BHS) package		
BHS – STP roll out	No further actions for exit are needed as all documents and training modules have been handed over to the government. This is now fully owned by CSD and the provincial governments and is being taken forward	N/A
Ensuring access to services is equitable and provision is high quality		
MSS Assessments	The findings of the MSS assessment will be shared with stakeholders at all levels of government. Further meetings will be held with CSD on handing over of the assessment report and briefing along with a discussion to have concrete steps taken at the sub-national levels	By end of September
Clinical mentoring	The data dashboard alongwith guidance on its use will be developed and handed over the FWD and provincial governments. An orientation session will be held with relevant stakeholders prior to hand over	By end of October
Enabling emergency obstetric services to be functional, timely and better linked		
CEONC services	The CEONC review and findings will be completed and shared with the SMNH sub-committee, and key stakeholders from federal and sub-national levels. All technical documents, guidelines will be handed over to the MNH section at FWD for their further action.	By end of October

ANNEXES

ANNEX 1 - ABOUT THE PROGRAMME

The Nepal Health Sector Support Programme 3 (NHSSP 3) had begun in March 2017 as the technical assistance (TA) component of FCDO's Nepal Health Sector Programme 3 (NHSP3), and included two TA components, the General Health Technical Assistance (GHTA) to support the federal MoHP to deliver its Health Sector Strategy 2015-2022; and the Retrofitting and Health Infrastructure TA (RHITA) to MoHP and Department of Urban Development and Building Construction (DUDBC) to support the retrofitting and rehabilitation of two priority hospitals in earthquake affected areas. FCDO has recently approved a one year no-cost extension, 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.

The no-cost extension (NCE) has been referred to as RHITA+ reflecting the dual purpose of the health infrastructure and the health system strengthening components. However, for the purposes of stakeholder relationships with the Government of Nepal, development partners and all external public engagement activities, the programme will continue to be referred as NHSSP 3. This will help continuity and alignment of programme messaging as the TA component of NHSP3.

Overall scope of RHITA+/NHSSP

The current NCE of NHSSP will provide embedded and coordinated TA at federal and sub-national levels, with greater efforts focusing on sub-national level health governance challenges. Activities for Health Infrastructure will primarily be site-specific at Bhaktapur and Pokhara, with engineers deployed on-site, along with frequent site visits and callouts where necessary. For the Health Systems Strengthening component, province-based teams of TA specialists in Madhesh and Lumbini provinces will provide visiting support to local level governments on a rotational basis to a selected cluster of LLGs and will also work with the Provincial governments on specific policies and strategies to ensure alignment across governance levels. Select support to Sudurpaschim province level will be extended by the Lumbini-based provincial team. A total of 10 LLGs across the two provinces have been selected for support in consultation with the Provincial Governments which will be supported on a rotational basis, and these include as in the Table below:

Madhesh Province	Dhangadhimaai Municipality - Siraha Malangawa Municipality - Sarlahi Parsa Rural Municipality - Sarlahi Gaur Municipality - Rautahat Kalaiya Sub Metropolitan City - Bara Prasauni Rural Municipality – Bara
Lumbini Providence	Phalinandan Rural Palika - Nawalparasi west Malarani rural palika - Arghakhanchi Ghorai sub metro – Dang Sisne rural Palika- Rukum east

TA support under **health infrastructure** will continue for seismic and functional retrofitting, to monitor progress of planned works at the two priority hospitals.

Health systems strengthening support to key health sector reforms will be provided under two areas:

- Support to governance and accountability will enable better decision-making through improved engagement with the data, better understanding of roles and responsibilities across levels – particularly on issues such as budgeting, financial management, procurement of medical supplies, that are now devolved to LLGs. This area will also include a focus on equity-based planning to help improve governance functions as well as quality services at the local level, by focusing on better information flows and use within government programming, and to LLGs through knowledge exchanges and peer-learning.

- Support to improvements in quality and coverage of health services will primarily focus on strengthening service quality at local and provincial levels for mothers and children. This will encompass working with local levels to support planning and execution of activities that improve facility level service quality, strengthen patient interactions, and ensure service access among marginalised groups.

ANNEX 2 – NHSSP RISK MATRIX

Risk No	Risk	Gross Risk		Risk Factor RAG rated	Current controls	Net Risk		Risk Factor RAG rated	Net Risk Acceptable?	Additional control	Assigned manager / timescale	Actions
		Likelihood	Impact			Likelihood	Impact					
	Strategy and Context											
R1	Key government staff of MoHP at federal and MoSD at provincial level may change with the change in political senario after November election and recent change of coalition at federal level This may impact extension processes.	Likely	Major		RHITA+ will carefully manage relationships with the governments at different levels during the transition period, being flexible and responsive to the TA support	Likely	Moderate		Yes	RHITA+ will monitor the situation and regularly share with BEK and Options.	Team Leader	Tolerate
R2	The global economic crisis due to Russia – Ukraine war creating fuel and food shortages in the world. Likewise, the slowing of UK economy, and the British pound falling against the US dollar this may impact the budget and planning for the No-Cost Extension period	Likely	Severe		NHSSP will continue to maintain close contact and regular communication with FCDO Advisors in Nepal and the UK to understand any cost implications to the programme.	Likely Major			Yes	RHITA+ will regularly follow the economic and security situation of the country. Any external risk will be communicated on regular basis with both BEK and Options.	Team Leader	Tolerate
	Policy and Programme Delivery											
R3	Government of Nepal may identify a different set of priorities or approaches at	Likely	Major		Continue regular engagement	Likely	Moderate			RHITA+ will maintain close communication with BEK/FCDO	Team Leader	Tolerate

	federal and sub-national levels, than those presented in the extension proposal, and/or have greater expectations of TA than number of staff or activity budget allows.				with the FMoHP and priority province and local governments in planning processes and so flexibility in the TA where possible.					Advisors regarding government consultations, especially should they lead to unanticipated variances in approach.		
R4	Inadequate political will to drive key reform processes for example procurement reform at federal and sub-national levels.	Likely	Major		RHITA + advisors work closely with senior staff in FMoHP to advocate, build understanding and buy in to planned reform processes.	Likely	Moderat e		Yes	RHITA+ advisors will continue to work closely with senior staff at Federal and sub-national level.	Team Leader / Advisors	Treat
	Public Service Delivery and Operations											
R 5	The rising cases of Dengue, flare up of measles outbreak and prevailing COVID 19 cases may divert MoHP personnel and resources towards preparedness and management of the infection, which might affect routine programming.	Likely	Severe		RHITA+ will support MoHP in contingency planning in close consultation with BEK.	Likely	Major		Yes	RHITA + will work closely with BEK and other partners to develop and implement hospital safety measures.	Team Leader	Tolerate
R 6	MoHP priorities/demands are changeable due to external and internal pressures which deflects TA from sector targets at federal and subsequently, sub-national levels	Highly Likely	Modera te		The RHITA+ team is and will continue to closely collaborate with key counterparts to	Possible	Minor		Yes	RHITA+ team will continue to work closely with FMoHP colleagues and actively engage priority province and local govts. and	Concerne d Advisors	Treat

					ensure a shared understanding of work plans and quarterly update/review meeting will be conducted at federal and province level					remain flexible and strategic.		
R 7	High staff turnover in key government positions limits the effectiveness of capacity enhancement activities with FMoHP and the DoHS.	Likely	Moderate		RHITA+ adopts capacity enhancement at institutional and system level besides individual capacity enhancement so that institutional memory remains in place.	Likely	Minor		Yes	RHITA + works with different cadre of Health Staff.	RHITA+ Advisers	Tolerate
R 8	Staff shortages at sub-national levels limits the effectiveness of capacity enhancement activities at priority provinces and local levels.	Highly Likely	Major		RHITA+ will take flexible and adaptive approaches, incl. provision of direct support at sub-national level	Likely	Moderate		Yes	RHITA+ team will work closely with FMoHP to monitor and support transition plan.	Team Leader	Tolerate
	Financial and Fiduciary											
R 9	The TA programme has limited funds to support the strengthening of major systems components such as HR systems.	Likely	Moderate		Support policy and planning in the MOHP. Engage with other EDPs who support related areas.	Possible	Minor		Yes	Continue to work with FMoHP and WHO and other partners who may have financial resources to support these.	Advisers	Treat

R 10	Weak PFM system leads to fiduciary risk	Highly Likely	Severe		Support the FMoHP in strengthening various aspects of PFM	Likely	Moderate		Yes	Continue to monitor risks and mitigate through support to MoHP	PFM Expert	Treat
R 11	Increased pressure of corruption at provincial and local levels	Likely	Major		RHITA+ takes Zero-tolerance approach to fraud and corruption.	Likely	Moderate		Yes	RHITA+ staff will undergo training and support to resist pressure. Options' whistle-blower policy will be rolled out to the RHITA+ team.	Team Leader	Treat
	Safeguarding											
R 12	Harm, abuse and exploitation of children and vulnerable adults (includes sexual harassment and exploitation).	Possible	Major		RHITA+ takes a Zero-tolerance approach to the abuse and exploitation of children and vulnerable adults. RHITA+, led by Options has systems in place to document, monitor and report on the implementation of its safeguarding policy.	Possible	Moderate		Yes	RHITA+ staff will undergo additional safeguarding training. Options' Child and Vulnerable Adult Safeguarding Policy will be rolled out to RHITA+ staff. Updates to partner contracts will include compliance with BEK/FCDO's latest Supply Partner Code of Conduct.	Team Leader and Options' Safeguarding Lead (Director of Programmes)	Treat
	People											
R 13	High staff turnover as the 1-year extension programme ends in December 2023.	Possible	Major		RHITA+ has maintained roster of experts who will be hired to	Possible	Moderate			RHITA+ will take flexible and adaptive approaches, including provision of direct support at sub-national level if	Team Leader	Treat

					replace the place..					required from the federal level		
R 14	Staff may be at risk of the rising Dengue infection and prevailing COVID cases. The Dengue infection has been spreading in cities.	Possible	Moderate		RHITA+ will maintain staff safety and wellbeing as per the Options duty of care protocol.	Possible	Moderate		Yes	RHITA+ will continue to communicate the situation to all staff and make them aware that their safety comes first. Regular communication channels will be established with all.	TL	Tolerate
	Climate & environmental											
R 15	Further earthquakes, aftershocks, landslides or flooding may disrupt delivery of healthcare services.	Likely	Major		Continue to monitor situation reports/GoN data; ensure programme plans are flexible, and re-plan rapidly following any further events. Comprehensive security guidelines will be put in place for all staff.	Likely	Moderate		Yes	RHITA+ will support MOHP to update disaster preparedness plan; and will work with other EDPs to identify ways to build a more resilient health system.	RHITA+ Advisors	Tolerate
Health Infrastructure Risk Matrix (Specific risks not included above)												
	Strategy and Context											
R 16	DUDBC will not be able to resource this project with the number of people and technical skills required. Compliance to the specified quality, time and cost parameters cannot be ensured by the RHITA+ extension.	Likely	Major		The RHITA extension team period will provide limited TA to DUDBC and report progress and quality issues to	Likely	Major		BEK has indicated their acceptance of this risk.	BEK will follow-up with MoHP/DUDBC on the findings from RHITA+ progress reports and the third party reports.	HI TL	Tolerate

					DUDBC/MoHP for action. Third party verification team will report quality issues to BEK and DuDBC/MoHP							
R 17	Delivery of the fourth package by DUDBC, required to make the building functional (e.g. sanitary, waste management, fire safety) may be delayed. This would delay handover to the hospital authorities of the buildings which have already been retrofitted.	Likley	Major		RHITA+ will monitor the work activity schedule regularly and report issues to DUDBC/MoHP and BEK	Likely	Major		BEK has indicated their acceptance of this risk.	RHITA+ will document the risks and regularly share with DUDBC, MoHP and BEK	BEK, RHITA+ TL, and HI TL	Tolerate/
R 18	Lack of clarity re practical limitations of HI team's new and limited role for MOHP, DUDBC, hospital management, contractors, mayors and other state officials. This will lead to confusion, inefficiency, and questions of accountability.	Highly likely	Major		BEK and RHITA+ must establish MOUs with counterparts by January 2023, HI setting out scope of work and limitations, responsibilities, and accountability among counterparts.	Likely	Major		Yes	BEK and RHITA will need to regularly re-iterate RHITA+ HI scope of work and limitations.	BEK, RHITA+ TL, and HI TL	Treat
	Reputational											
R 19	Project completion may delay due to both internal and external factors such as Global economic crisis, slowing of UK economy, new government in Nepal	Highly Likely	Severe		RHITA + will monitor the work activity schedule regularly and report issues	Likely	Major		Yes	RHITA+ will document the external risks and regularly share with BEK and Options.	BEK, RHITA+ TL, and HI TL	Tolerate

	after November election and reshuffle of key staff at the Ministries and departments.				to DUDBC/MoHP and BEK							
	People											
R 20	Site Engineers, construction workers and contractor's personnel during the works may get infected with Dengue and prevailing COVID-19.	Likely	Major		RHITA+ will encourage DUDBC to monitoring the safety requirements at the site as per agreed protocols.	Likely	Moderate		Yes	HI team will promote use of safety protocols	HI team	Treat

ANNEX 3 - PROGRESS STATUS OF NHSP3 ANNUAL REVIEW RECOMMENDATIONS

IMPORTANT NOTE: Progress updates to the recommendations below from the Annual Review conducted in September 2022, are limited to those that are included in scope of work (SoW) and workplan of NHSSP No-Cost Extension Contract, and do not include any actions that refer to other suppliers, BEK or those that are out of NHSSP NCE contract.

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
1) BEK and suppliers to review its theory of change, learning from past TA and refine programme goals in light of unfolding dynamics of federalisation and the new health sectoral plan (***January 2023***).	• Internal review of the ToC and the alignment of programme goals, logical framework and planned TA in the NCE phase was done in March 2023. • Meetings with PPFM (Crown Agents) were held in March 2023 • Meeting to agree Logframe for NCE with BEK was held in April 2023	ToC document and NHSP3 Logframe	NHSSP has submitted LFA targets to BEK	Completed by NHSSP
2) BEK and Nepal Health Sector Support Programme (NHSSP) to remain flexible and adaptive to respond to the emerging priorities, actively focusing on enabling sub-national governments to clarify their roles within the health systems and to deliver on their mandated responsibilities by building public sector capacity on analysis of evidence, planning & budgeting, and monitoring programme coherence (***April 2023 and continue***).	• Policy dialogues in focal provinces planned and held. • Series of focused meetings for AWPB processes facilitated in local, provincial and federal levels • Federal level Lead Advisors and Team Leaders periodically meeting sub-national government stakeholders to understanding emerging priorities and respond.	Meeting reports Field visit notes	Completed progress sharing meeting at Federal and Province level (both Provinces)	In progress
3) BEK and its suppliers to continue to maintain strong communication and relationships with MoHP while deepening relationships with devolved governments to promote key reforms (***Continue***).	• Strategic Outlook and planning meeting held on 16th/17th Feb 2023 with federal and provincial government representatives. • Quarterly update meeting held with federal and provincial	Meeting minutes	Quarterly update meeting completed with the Federal MoHP, Provincial MoH in both provinces. Regular meetings and support to the government counterparts ongoing.	In progress

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
	governments on April 30th 2023, and first week of May 2023 • Periodic meetings with individual Division Directors and Section Chiefs have been held by Team Leaders and Lead Advisors			
4) BEK and NHSSP to prioritise transformative TA at sub-national levels to build local governments' capacities to take a multi-sectoral approach to addressing health challenges, including prioritising preventative health in light of the epidemiological transition in Nepal (***April 2023 and continue***).	• Meetings as listed above held • Sub-national TA, at provincial and local levels has included mentoring support to Health section chiefs, planning officers and health incharges to be responsive to local needs	Meeting reports from discussions Field visit notes	Priorities for both provinces in placement of TA and technical focus agreed and work supported	In progress
5) BEK to continue to invest in social accountability and work with civil society organisations (CSOs) to improve citizen's engagement and local health governance. NHSSP to support to the local governments to conduct social audits and promote CSOs participation in planning and public sector expenditure tracking on health (***July 2023***)	• Assessment of the capacities and functionality of health facility operational and management committees completed • Social accountability at the local levels through the government being advocated through sessions with Health Section Chiefs and In-charges.	Assessment report and briefing paper	Completed	Completed
6) NHSSP and the Procurement and Public Financial Management (PPFM) oversight team to monitor how far MoHP is following its Internal Control System Guidelines and enhancing the budget absorption capacity of the respective entities, if needed, supporting to MoHP to revise the planning, internal control and programme implementation guidelines (***July 2023***).	• PPFM Advisor in meetings with Govt. to discuss about internal audits, and timely responses to audit queries • PPFM Committee meetings reinstated after a period, and key issues on financial management discussed; an	Meeting notes PPFM Committee ToR	Internal Audit and Internal Control Committee is functioning under the chair of the MoHP Secretary. DoHS has endorsed its internal control guideline in 2023 and is implementing it.	On progress

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
	updated PPFM Committee ToR drawn up.			
7) BEK to continue to emphasise equity and social inclusion, and prioritise technical areas that have yet to receive adequate attention (such as disability and mental health). Specifically, NHSSP to stock take of disability friendly health services (at least in programme focused provinces) and share results to inform the policies and plans (***September 2023***).	• NCE does not include a dedicated TA component on disability issues. Within the limits of resources available in the NCE a literature review of existing evidence and a small qualitative study in one province being planned to be done by end of Sept 2023	Concept note	Draft concept note to undertake a literature review and brief qualitative study on disability under internal review in NHSSP.	In progress
8) BEK and NHSSP to collaborate with other health sector development partners (DPs) to develop and agree on a new TA framework with the Government of Nepal that is responsive to the contextual differences at sub-national levels and strengthens vertical coordination across the three levels of government (***December 2022***).	• NHSSP has supported the development of a TA framework which has been in discussion by MoHP further with development partners to agree ways forward.	Draft TA Framework	TA framework developed and submitted to BEK and FMoHP to be incorporated into JFA. Partner meetings being planned by BEK and NHSSP	In progress
9) PPFM and NHSSP to assess the value for money (VfM) of key TA interventions including the overall approach of NHSP3 to strengthen sub-national health systems and NHSP3 attribution in the health sector (***July 2023***).	•			
10) In collaboration with other development partners, BEK and NHSSP to promote more coherent planning and budgeting and efficient use of available financing for health (***July 2023***).	• Evidence analysis for supporting AWPB processes • Meetings of annual policy and programme and Annual workplan and budgeting for FY 2080/81 at Federal, Provincial and Local levels	Monthly update notes Meeting minutes	Supported planning and budgeting process in all levels including the federal government. Annual Policy and Programs endorsed in local levels	In progress
11) NHSSP (the Options lead consortia of embedded TA) to support the local	• NHSSP is supporting the development of BHS	N/A	RRI framework finalization process ongoing	In progress

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
governments to implement BHS adhering to standards treatment protocols and monitor BHS using the dashboard *(**July 2023 and continue**).*	monitoring framework through the Rapid Result Initiative (RRI) of MoHP.		NHSSP tracked BHS implementation in two focal provinces and supporting implementation in areas where gaps exist.	
12) NHSSP to revise and update the MSS to align with adjustments made to the federal health structure for providing BHS, and support selected local governments to rollout the MSS at health facilities and inform action plans and AWPB processes *(**July 2023**)*.	(Updates to MSS tools not initiated by Govt. yet) • Support provided to undertaking MSS assessments in focal palikas • Study to understand use of MSS data for planning and action designed and conducted	MSS assessments results MSS review report (draft)	MSS completed in all health facilities of focal LLGs. Review of MSS mechanisms to support implementation of action plan and linkage with AWPB process ongoing.	In progress
13) NHSSP to support family welfare division and provincial health directorates to strengthen CEONC service delivery through innovative collaborative and partnership models (e.g., with *Nepal* Society of Obstetricians and Gynaecologist [NESOG] and medical academies) and continue to monitor CEONC service uptake particularly to rationalise C-section rates *(**May 2023 and continue**)*.	• Consultations held with MNH section chief and FWD Director • Concept note agreed with SMNH sub-committee • Review of CEONC processes initiated	Concept note of review Meeting notes	Concept note presented at the SMNH sub-committee meeting and approved. First consultative meeting at the provincial level held at Lumbini Province, subsequent consultative meeting in plan.	In progress
14) BEK and NHSSP to engage with government stakeholders to consider how the benefits and successes of the Aama programme continue to be sustained and linked with other quality improvements, e.g., inter-facility referrals and C-section monitoring *(**July 2023**)*.	• Visits to Argakhanchi to assess status of inter-facility referrals and provide support undertaken • Lessons sharing meeting for inter-facility referral scheduled in East Rukum • Re-orientation for C-section monitoring through Robson TGCS provided	Concept notes Meeting notes	Dashboard on ODK software for monitoring c-sections in development Action planning at hospital level initiated in partnership with NESOG.	In progress

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
	• Development of action plans based on Robson TGCS data being supported at facility level			
15) BEK and NHSSP to continue and strengthen support for Gender Equality and Social Inclusion (GESI) within the health sector primarily to support unreached and neglected populations such as people with disabilities through annual workplan and budget of the GoN *(**July 2023**).*	NCE does not include a dedicated TA component for targeted GESI interventions and issues. Mainstreaming activities supported through gender responsive budgeting, planning and strengthening linkages across governance and service delivery through equity-based planning	N/A	GESI focussed AWPB development process were advocated at all levels. MoHP supported to undertake OCMC functionality assessments in two provinces.	In progress
16) BEK and NHSSP to closely monitor the progress of the retrofitting work at Pokhara and Bhaktapur Hospitals and NHSSP to work to ensure the timely completion of this work (**March, July, September 2023**).	Series of joint visits to both hospitals undertaken to monitor the progress of the retrofitting work. This included representatives from MOHP, DUDBC, BEK & NHSSP. Observations from the visits have been shared with the Steering committee. Steering committee meetings organsied	• Joint Field Monitoring report • Minutes of Steering Committee meeting	NHSSP is continuously monitoring the progress Exit plan shared with BEK	In progress
17) NHSSP to sensitise subnational governments on the multi-hazard perspective of health infrastructure and the process of land selection & acquisition, planning, implementation for development of health infrastructure and its impact on health service delivery (***September 2023***).	NCE does not include a TA component to support sensitisation at sub-national government level.	N/A	Planning to include HI related messages in the Learning Circles	In Progress
18) NHSSP to collaborate with MoHP and DUDBC for carrying out vulnerability	NCE does not include a TA component for vulnerability	N/A	N/A	N/A

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
assessments by mapping the climate-resilience of health infrastructure (***April 2023***).	assessments by mapping the climate-resilience of health infrastructure.			
19) BEK and NHSSP to consider strengthening its support to subnational governments while ensuring that any federal level support helps to improve policy coherence and coordination across levels of government (***March and June 2023***).	• Joint support visit from Province(s) to the local level for planning and budgeting workshops • Support provided to drafiting of provincial implementation plans, Health policies • Joint monitoring visit of referral mechanism from MoHP to Malarani RM.Facilitated linkage of local level government with the federal government (eg. Palhinandan RM linkage with the DoHS and MoHP for infrastructure)	Meeting notes Field visit notes Provincial implementation plans drafts	AWPB processes, particularly in light of budget cuts coordinated across all levels Provincial health policies and strategies aligned with federal	In progress
20) NHSSP to undertake a study to assess how TA support for policy coherence and coordination in the federal setting is contributing to more efficient health governance, improving the quality of health services and equitable access to health services in the local governments (***August 2023***).	• Building on the previous Health Systems Analysis conducted in 2022 on policy coherence and co-ordination, a more focused study on BHS services and issues with political economy and co-ordination has been designed • Concept note approved by BEK and study currently underway	Concept note	BHS study designed with a focus on qualitative data gathering Field visits ongoing	In progress
21) NHSSP to continue supporting budget analysis and capacity building of the sub-national governments to understand health	• Evidence on previous years budgets shared during AWPB planning meetings	Meeting notes and presentations	Slides on preliminary budget analysis shared with BEK Further analysis to be done when full data is available	In progress

AR Recommendations	Actions to meet the recommendations	Results/Means of Verification	Progress Update (As of 30 June 2023)	Status: Completed/On Progress
investments and promote health sector accountability (***November 2023***).	• Preliminary budget analysis of current FY done			
22) NHSSP to document the learning from the implementation of FMIPs and PIPs at the sub-national level and provide support to update the plans if needed (***August 2023***).	• FMIPs and PIPs rolled out at provincial level and implementation underway as stipulated • Periodic meetings held by NHSSP federal level advisors with provincial stakeholders to review implementation based on checklists and provide mentoring support to strengthen implementation	Concept note Meeting notes Field visit notes	FMIPs of both provinces tracked. PIP tracking process ongoing.	In progress
23) NHSSP in collaboration with other development partners to support MoHP to prepare a health sector 'Data Generation Calendar'- a tool to understand which type of data is needed and being generated in what period of time. This will help track the progress of Nepal Health Sector Strategic Plan, 2022-2030 and inform health sector reforms and plans (***March 2023***).	• Support provided to development of NHS-SP results framework • Meetings conducted by Govt to agree on tracking mechanisms		Nepal Health Sector Strategic Plan, 2022-2030 has been endorsed recently; Tracking mechanisms being discussed with the M&E technical team of MoHP.	In progress
24) NHSSP and PPFM to ensure a clear mechanism for sub-national teams able to make decisions and greater collaboration between the programme and other TA providers at the three tiers of the government, and regularly track it (***March 2023 and continue***).	• Regular meetings and exchanges between NHSSP and PPFM organised • NHSSP team (federal and provincial) meetings focusing on technical discussions conducted on a monthly basis to have better coherence across all levels		NHSSP team and PPFM teams are meeting regularly to discuss about PPFM functions such as VfM evaluation, audit, NHSP2 progress, fiduciary risk assessment, FMR, and are coordinating with each other.	In progress

ANNEX 4 – LOGICAL FRAMEWORK

IMPORTANT NOTE: The Logframe presented below was presented to BEK in April 2023, and milestones and targets for the no-cost extension were agreed.

	Indicators	Milestone July 2023	Achievement June 2023
Impact			
Equitable health outcomes, and a stronger & more responsive health system	Under 5 mortality rates per 1000 live births	No milestone set	*33 (NDHS 2022)*
	Maternal Mortality Ratio per 100,000 live births	No milestone set	*151 (A report on Maternal Mortality Study 2021)*
	DALYs for both sexes, all ages	No milestone set	
Outcome			
1. Increased use of quality health services, particularly by the poor and disadvantaged	1.1 Pregnant, postpartum women and children < 5 years receiving one or more nutrition related interventions during the past year		
	1.1a. Number of pregnant women who received 180 days iron tablet supplementation during the past year*	316,635	292,058
	1.1b. Number of postpartum women receiving Vitamin A supplementation	277,215	289,693
	1.1c. Number of children aged 6-59 months who received Vitamin A supplementation	2,326,220	2,742,267
	1.2 Equity gap reduced for essential Safe motherhood, child and FP services (DLI12.2)		
	1.2 Safe Motherhood: Difference between the average of the top 10 and bottom 10 districts) in percentage of women who delivered in a health institution (DLI 12.2)	71.7%	74.46%
	1.3 Number of additional users of modern methods of contraception	686,797	
2. Strengthened health sector management and governance at federal, provincial and local levels	2.1 Local level composite index showing health service effectiveness at select local level governments	62 .0	66.4
	2.2 % FMoHP spending units whose entire expenditure (from all sources) captured by CGAS in focal provinces	90%	100%
	2.3 Budget absorption (% of allocated health budget expended) at Federal and Provincial sphere in focal provinces	Federal: 90% (recurrent budget) Average for two focal provinces: • 70% of the total budget	Federal: 43% Lumbini: 49.28%
3. Evidence-based planning and decision making at 3 spheres of government	3.1 Evidence-based budget allocations for Federal funding at provincial and local levels	No milestone set	

	Indicators	Milestone July 2023	Achievement June 2023
Outputs			
1. Delivery of quality health services strengthened at provincial and local level, prioritizing LNOB	1.1 Number and percentage of public CEONC sites with functional caesarean section service (Disaggregated by province and ecological region)	90% in two focal provinces	100%
	1.2 Public facilities in priority provinces following with BHCS protocols and guidelines (according to established critical path)	Basic Health Services treatment protocols and dashboard rolled out in two focal provinces	Completed in Lumbini Province. Completed in all districts except Bara and Parsa in Madhesh Province; planned in Early July.
	1.3 Number and percentage of OCMCs functional as per guideline (Disaggregated by Province and ecological regions)	75% (14)	As per OCMC protocol hospitals will conduct assessment after July 15
	1.4 Number of COVID-19 related hospitals and institutions supported through Financial Aid and technical assistance	N/A	N/A
	1.5 Percentage of eligible women who received Aama incentives on transportation (Disaggregated by province & Geography)	95% (327,767)	94.3% (346,052)
	1.6 Number of Rapid response team established to support government counterparts at provincial Level, district, and municipality levels in response to COVID-19	N/A	N/A
2. Multi-hazard resilient health infrastructure in focal provinces and vulnerable regions, supported and strengthened	2.1 Two priority health facilities/hospitals retrofitted or rehabilitated with support from DFID's earmarked Financial Aid and technical assistance (DLI);	•Completion of OT block and mortuary block in Bhaktapur •Completion of OPD block and medical block in Pokhara	OT and mortuary block in Bhaktapur – completed. OPD block in Pokhara - completed
3. Federal, provincial and local level health policy, planning and accountability strengthened, to support effective health system management at all spheres	3.1 Critical pathway for development of coherent policies aligned to devolved functions at 3 spheres of government	No milestone set	N/A
	3.2 % increase in the number of SAHS supported CSOs that provided new data to the local planning and budget process generated through the expenditure tracking exercise (disaggregated by LLs and non-LL sites)	•Five NHRC research briefs to inform strategic plan •NHS-SP 2023-30 approved	•Five NHRC research briefs to inform strategic plan •NHS-SP 2023-30 approved

	Indicators	Milestone July 2023	Achievement June 2023
4. Effectiveness and accountability of financial and procurement systems strengthened at federal level and in focal provinces	4.1 % FMoHP spending units using CGAS (DLI 8.4)	95%	100%
	4.2 Public Procurement Strategic Framework (PPSF) developed, endorsed and implemented	Financial Management Improvement Plan (FMIP) and Procurement Improvement plan (PIP) of two focal provinces rolled out	Rolled out FMIPs and PIPs in both provinces and implementation being tracked
	4.3 % of audited spending units responding to the OAG's primary audit queries within 35 days (DLI 9)	60%	72%
5. Quality evidence generated and used in decision making	5.1 Health facilities reporting disaggregated data using District Health Information System 2 (DHIS2) in a timely manner (Percentage) (DLI 10)	70%	85.7%
	5.2 Percentage of municipalities engaged in the SAHS-supported dialogue forums that report using results of SAHS APEA, situational analysis, mapping and/or analytical materials to inform decision-making	MMR study completed and disseminated at Province level (NHSSP & BEK)	MMR Study Completed
	5.3 Evidence generated within NHSP3 & its use by government and its counterparts.	• 2 technical briefs (NHSSP) • One study (NHSSP) •Dissemination of UKAid 20 years evaluation (BEK) • 1 knowledge café conducted (NHSSP).	2 technical briefs (HFOMC & MSS) Two studies completed (HFOMC assessment and MSS assessment review completed) Dissemination of UKAid 20 years evaluation (BEK) 1 Knowledge Cafe (Lumbini)