Background thematic report no. 2

Progress Report on Governance and Accountability Action Plan (GAAP)

2013/14

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Government of Nepal (GoN)
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Ramshah Path, Kathmandu, Nepal

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ACRONYMS

AHW	auxiliary health worker
ANM	auxiliary nurse-midwife
AWPB	annual workplan and budget
CAC	comprehensive abortion care
DHO	district health office
DHS	demographic health survey
DoHS	Department of Health Services
DPHO	district public health office
EAP	Equity and Access Programme
e-AWPB	electronic annual planning and budgeting
EDP	external development partner
FMIP	Financial Management Improvement Plan
FY	financial year
GAAP	Governance and Accountability Action Plan
GBV	gender based violence
GESI	gender equality and social inclusion
GIS	geographic information system
GoN	Government of Nepal
HFOMC	health facility operation and management committee
HIIS	Health Infrastructure Information System
HMIS	Health Management Information System
HRH	human resources for health
IT	information technology
IUCD	intrauterine contraceptive device
JAR	joint annual review
LMD	Logistics Management Division
MoF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Government
MoHP	Ministry of Health and Population
MTEF	mid-term expenditure framework
NHEICC	National Health Education, Information and Communication Centre
NHTC	National Health Training Centre
NPR	Nepali rupee
NSV	non-scalpel vasectomy
O&M	operation and maintenance (re. infrastructure)
O&M	organisation and management (re. human resources)
OAG	Office of the Auditor General
OCMC	one stop crisis management centre
PBGA	performance based grant agreement

PHCRD	Primary Health Care Revitalisation Division
QA	quality assurance
RH	reproductive health
SBA	skilled birth attendant
SSU	social service unit
SWAp	sector wide approach
TABUCS	Transactional Accounting and Budget Control System
ToT	training of trainers
VDC	village development committee

1 INTRODUCTION

1.1 Background

The Nepal Health Sector Programme-2 (NHSP-2) calls for prioritising governance and accountability to achieve intended results and impacts. It explains that putting a system in place and injecting resources for health may not achieve desired results if governance and accountability issues are not properly addressed. The Governance and Accountability Action Plan (GAAP), which is Annex 2 of NHSP-2 (2010-2015) is the major document guiding implementation. It foresees client-centred and accountable health services that focus primarily on poor and excluded people. MoHP is firmly committed to NHSP-2's action plan.

The government's commitment to the good governance of the health sector and accountability is clearly expressed in the new National Health Policy that was introduced in 2014. The policy aims to protect the achievements made so far and address current and emerging challenges through accountable and efficient management and the optimal use of available means and resources. It also aims to implement a work plan to make health service delivery transparent, accountable, and responsive.

1.2 Objective

The objective of this report is to share the progress made against the GAAP in fiscal year 2013/14 in terms of health governance and accountability. It also includes the current status of relevant activities.

2 ACHIEVEMENTS RELATED TO GAAP THEMATIC AREAS

The following text highlights the progress against activities that are specified under the different thematic areas of the GAAP framework. The progress is given in detail in Annex 1.

2.1 Sector Governance/Enabling Environment

Initiatives have been taken to further strengthen performance based contracts, which started last year with seven health institutions. Alongside this the PBGA monitoring framework has been revised to provide generic performance objectives and outputs.

The Transactional Accounting and Budget Control System (TABUCS), has been implemented successfully in a phase wise way and by April 2014 had been rolled out across the country to all MoHP cost centres. It is also linked to e-AWPB to make budgets more realistic and output based. Preparatory work has begun towards linking the TABUCS with other information systems concerned with planning, implementation and monitoring. The Financial Management Improvement Plan (FMIP) was revised aiming to improve financial accountability.

MoHP's website is being regularly updated. Notices, health-related legislation, new publications and budget and procurement related materials are being regularly uploaded. The website is also being linked with other information systems and government offices.

The progress made in updating the web-based Health Infrastructure Information System (HIIS) has enabled the system to be used for planning purpose including for planning the location of new construction projects.

The Department of Health Services (DoHS) and its divisions are also regularly updating their websites. The Logistics Management Division's (LMD) website discloses all LMD-related procurement information including its consolidated procurement plan, and the technical specifications of drugs and health equipment. The open access data bank of technical specifications now houses 1200 specifications.

2.2 Stakeholders

In recent years, the Office of the Auditor General (OAG) has carried out performance audits in a number of MoHP offices and programmes. In 2014/15 such audits are being undertaken in five districts. An assessment of the service delivery impact of Bir Hospital is ongoing.

2.3 Implementation Capacity/Institutional Capacity

In FY 2013/14, 37 types of training programmes were run for 3,718 different levels of staff who work at central, district and local levels. New positions for 303 different health workers were approved. After completing the required defined administrative procedures, these positions will be filled through the Public Service Commission (PSC). As an incentive for medical doctors working in government hospitals, a policy on non-practicing allowances has been developed. MoF has given its consent and the policy is in the process of final approval. The policy's implementation will enhance service delivery at government health facilities.

With the 2013 amendment of the Health Services Act, vacancies are being regularly filled. Also, medical doctors are being the temporarily recruited to address the acute shortage of doctors in many parts of the country. In many cases, junior level health workers are being recruited by local government bodies

to work at the local level while the health service is being provided with trained health workers as volunteers under NPC's National Development Volunteer Service (NDVS).

Towards strengthening local health governance, operational guidelines based on collaborative framework between MoHP and Ministry of Federal Affairs and Local Government (MoFALD) has been developed. For this purpose, NPR 50 million has been allocated to selected six districts as block grants in first phase.

Organisation and management (O&M) surveys are being carried out on the expansion and restructuring plans of different arms of MoHP towards meeting current requirements. Accordingly, the process of upgrading the remaining 2,205 sub-health posts to health posts is in its final stage. In FY 2013/14, several hospitals were upgraded to an increased number of beds and more are in the process of being upgraded.

The new National Health Policy, which aims to address emerging issues, was approved in 2014. One objective of the policy is to establish effective and accountable health services that are easily accessible and are equipped with essential drugs, diagnostics and skilled human resources. Progress is ongoing on developing a comprehensive Public Health Act to serve as the umbrella act for Nepal's health sector. It is expected to cover major gaps in the regulation of the health sector.

Substantial progress has been made on improving systems for planning and developing the health infrastructure. GIS-based information in the HIIS has been used to select new health facilities. The criteria for upgrading health facilities, and the land selection criteria for new health facilities were approved in 2014.

As per the FMIP, MoHP has prepared, endorsed and distributed the Internal Control Guidelines and Audit Clearance Guidelines across the country. A national central level workshop was held on these guidelines in February 2014. Towards holding regional level trainings on the guidelines, DoHS has finalised the content of the 5-day training programme for finance officers from all cost centres. The proposed training will strengthen the current financial management practices related to recording, reporting, internal control system, and help MoHP and DoHS reduce the number of audit queries and should increase the budget absorption capacity.

The revised Health Management Information System (HMIS) has been introduced across the country. A health facility-wise online data entry system has been introduced at the district level. And MoHP is developing a unified coding system to help maintain functional links between the different health information systems.

2.4 Financial Management

There have been substantial improvements in the timely preparation and submission of FMRs. One reason for this has been the refinement of the associated reporting templates from 33 to 8 by MoHP in consultation with EDPs. TABUCS has been rolled out across the country and training has been provided to the concerned staff of all cost centres.

The Public Financial Management (PFM) committee is functional and took important steps by reducing the number of FMR reporting templates and for strengthening the implementation of the TABUCS.

MoHP's Audit Committee is functional and has taken the lead in developing guidelines, responding to audit queries, and enhancing the capacity of officials concerned with auditing. The Audit Clearance Guidelines and the Internal Control Guidelines were endorsed by MoHP. Adequate funds have been allocated for the operation and maintenance of health infrastructures.

2.5 Procurement

A Procurement Improvement Plan for FY 2013/14 to 2015/16 was developed for strengthening procurement management practices across MoHP. Other GAAP-related procurement achievements have been as follows:

- LMD's consolidated annual procurement plan for 2014/15 was approved.
- LMD's central level staff were trained on procurement and related disciplines.
- An operating manual was introduced to standardize LMD procurement procedures.
- Multi-year framework contracts have been introduced for supplying health commodities where appropriate.
- A draft amendment to the current Drug Act has been prepared.

2.6 Environment

The opening of one new hospital-based one stop crisis management centre (OCMC) brought the number to 16 across the country. These centres are being strengthened to provide integrated support for gender-based violence (GBV) survivors. Medico legal training was provided to medical officers from OCMC-based hospitals. Also in this reporting period:

- a draft GBV clinical protocol was prepared for front line health workers; and
- the hospital based OCMC guidelines and social service unit guidelines were revised based on the findings of consultations, reviews and visits.

Health care waste management guidelines were revised and updated to bring them in to line with international standards. Orientation and training was provided to concerned health officials on health care waste management. Resources have been ensured for all districts for waste management with separate allocations for zonal and higher level hospitals.

The use of solar energy for the around the clock lighting of health facilities is being promoted with NPR 1.5 million allocated for each of six remote hilly districts to install solar systems in health facilities.

2.7 Social Equity Access and Inclusion

The progress on social equity access and inclusion was as follows:

- In 2013/14, the social auditing of health service provision was implemented in 602 facilities in 45 districts. A process evaluation of social auditing was started in six districts in 2014/15.
- The HMIS Section identified 11 of its standard indicators for disaggregating by sex, age, location, and caste/ethnicity. Disaggregated data is now being regularly collected from health facilities on these indicators.
- The Equity and Access programme was implemented in 20 districts in 2013/14 to empower women and poor and excluded people to access health services.
- Good progress was made on establishing and activating the gender equality and social inclusion (GESI) institutional structure and capacity building from central to the health facility level. GESI technical working groups (TWG) have been formed in 75 districts and GESI focal persons nominated in all DHO, DPHOs and regional health directorates. GESI mainstreaming training was initiated for health facility in-charges and district supervisors in 13 districts in 2013/14.

3 CHALLENGES

MoHP has taken several initiatives to improve governance and accountability in the health sector. Significant changes have also taken place in other sectors. However, the following ongoing major challenges remain for implementing the GAAP:

1. The cross cutting nature of the GAAP requires collaboration between different ministries and organisations for the smooth implementation of activities. In some cases, progress is affected by difficulties getting adequate and timely support from concerned agencies.
2. Also due to the cross-cutting nature of the GAAP and the involvement of many agencies, information on progress is needed from a range of different sources, which can be difficult to collect.
3. A number of GAAP indicators are unclear and difficult to measure. Many indicators provide additional detail on activities rather than defining what is required to demonstrate evidence of progress.

ANNEX 1: GOVERNANCE AND ACCOUNTABILITY ACTION PLAN

Key objectives	Key activities	Key indicators	Progress to date
1. SECTOR GOVERNANCE / ENABLING ENVIRONMENT			
1.1 Move towards output-based budgeting by revising AWPB through MTEF	• Output-based budgeting to start from FY 2010/11 • Pooled funding partners to provide indicative commitments by January 31 of each year	• Output based budget prepared from FY 2010/11	1. Performance based grants are being introduced in seven health institutions as a move towards output-based budgeting. MoHP revised the performance based grant agreement (PBGA) monitoring framework that has been tested in seven institutions with PBGAs and eight without PBGAs. The M&E framework provides generic performance objectives and outputs. 2. Transactional Accounting and Budget Control System (TABUCS) rolled out across the country by April 2014, and is linked to the e-AWPB, thus making budget more realistic and output-based. 3. Technical note prepared on linking TABUCS with other management information systems (MISs) related to planning, programme implementation and monitoring. 4. Financial Management Improvement Plan (FMIP) revised in April 2014. These revisions are expected to further reduce fiduciary risk and improve overall financial accountability. 5. Ongoing multi-year funding commitment from health SWAp pool partners
1.2 Implementation of transparency and disclosure measures[1]	• Ensure regular and timely public disclosure activities through MoHP and DoHS website ensuring regular updates, radio/TV, newspapers & HFMCs of program budgets, contracts, procurement and activities • Report on disclosure procedures implemented in the annual progress report	• There is sufficient flow of information at the local level to stakeholders on budgets available and used, activities planned and undertaken. • Coverage of public disclosure systems and instruments used • Website is active	1. MoHP's website is being regularly updated. Health related legislation, the e-AWPB, reports and other relevant materials have been uploaded. The website also houses new publications, procurement and other notices. It has links with other MISs including HIIS, TABUCS and HURDIS, and with DoHS divisions' websites. 2. The website of DoHS and its divisions are being regularly updated. 3. New and updated health education materials, acts, regulations, guidelines and directives are being posted on NHEICC's website, www.nheicc.gov.np 4. All procurement related information, including the consolidated procurement plan, is being posted on LMD's website, www.dohslmd.gov.np 5. Nearly 1,200 medical equipment, surgical instruments, drugs and hospital furniture technical specifications have been uploaded on LMD's website. This data bank is being continuously updated. It provides standard agreed technical specifications available with open access to all. 6. Progress made updating the web-based Health Infrastructure Information System (HIIS) by adding in new report formats and data. This system began to be used for planning the location of new construction projects, for reviewing maintenance status and for inventory purposes. It uses GIS to make the system more holistic. Data on all sub-health posts upgraded to health posts is being incorporated into the system.

Key objectives	Key activities	Key indicators	Progress to date
2. STAKEHOLDER			
2.1 Ensuring periodic Performance Audit	• Identification of key aspects to be covered in the Performance Audit of the NHSP II Implementation Plan by MoHP/DoHS with close coordination with the pooled partners and OAG • Timely advance discussions on how the performance audit can supplement regular ongoing process • Public and social audits to feed into performance audits	• Identification of key issues in relations to performance of districts and thematic areas against the programs' overall goals and objectives	1. In 2014/15 the Office of the Auditor General (OAG) is undertaking performance-based audits in the offices under MoHP in five districts (Siraha, Dhankuta, Ilam, Kalikot, and Banke). Also, an assessment of the service delivery impact of Bir Hospital is being undertaken by the OAG. Consultations are being carried on key issues to be addressed during the process of these audits for further strengthening the system.
3. IMPLEMENTATION CAPACITY / INSTITUTIONAL CAPACITY			
3.1 Ensuring adequate capacity development of institutions and human resources strengthening to effectively implement NHSP-2 implementation plan	• Annual work plans and budgets to incorporate capacity development initiatives for different levels of staff • Adequate plans, budgets and activities to be provided for each year in line with the needs of key institution and bodies and staff at central, district and local levels	• Coverage of key activities, in line with the sequence of NHSPII planned implementation, in the key institutions of health and other multi-sectoral bodies foreseen for NHSPII e.g. nutrition and HIV/AIDS	1. Adequate budget is being provided for the capacity development of different levels of staff. 2. A training module and implementation plan has been finalised for developing the capacity of office managers and finance officers on governance, procurement and audit clearance. 3. MoHP has continued the fellowship programme for producing key health professionals including MDGPs, radiologists, and anesthesia assistants. 4. In line with NHSP-2's implementation plan, in FY 2013/14 (2070/71) NHTC provided 37 types of training to 3,718 staff of different levels (986 male 2,732 female). Major training programmes included: a) advanced skilled birth attendance (32 doctors), SBA for 1360 nurses; b) specialized clinical training for 435 health personnel; c) temporary family planning methods (implants, IUCD, PPIUCD)-767 d) permanent methods of family planning (NSV, minilap)-66 e) safe abortion services (CAC, medical abortion)-559 f) biomedical equipment- 50 g) skilled upgrading training (different types of ToT)-188 h) mid-level practicum (MLP)-77 i) skill upgrading training (Sr AHW, Sr ANM)-120 j) health personnel induction-266.

Key objectives	Key activities	Key indicators	Progress to date
3.2 Ensuring adequate number and diversity of health workforce as per norms set by MoHP	• AWPB preparation and approvals • AWPB to incorporate institutional development program • Implementation of phase 1 of health facility block grants in underserved districts • Implementation of Remote Area Allowance • Conduct Organization and Management (O&M) survey • Implementation of deployment and retention plan • Implement strategies for recruitment of local staff and to increase diversity in health workforce	• Information on short supply/surplus of health workforce by health facilities and/or district health offices; and on underserved communities • Diversity of staff increased	1. 303 new sanctioned positions for different cadre of health workers have been approved by the Cabinet and are being registered at the Department of Civil Records. Once this is completed, the positions will be filled through the Public Service Commission (PSC). 2. With the 2013 amended Health Services Act in place, the recruitment of all levels of health personnel is being carried out regularly. In FY 2013/14, requisitions were sent to the PSC for filling 312 level 7 to 11 positions of different health cadres, including 50 entry level medical officer positions. In addition, 217 doctors have been recruited temporarily so far in 2014/15. 3. The upgrading of the remaining 2,205 sub-health posts to health posts is in progress. The proposal has been forwarded to the Cabinet through the Ministry of General Administration (MoGA). 4. The Ministry of Finance (MoF) has consented to apply non-practicing allowances for doctors and extended medical services in government hospitals. This policy is under approval. 5. Operational guidelines for a Local Health Governance Strengthening (LHGS) programme have been developed based on MoHP–MoFALD collaborative framework. NPR 50 million has been sent to 6 districts (Jhapa, Chitwan, Kaski, Dang, Jumla and Kailali) as block grants to implement the first part of the programme. 6. The upgrading of some health facilities is underway in line with the recommendations of an O&M survey. In 2013/14, Dadeldhura hospital was upgraded to a sub-regional hospital with 100 bed capacity and Rapti sub-regional hospital was converted to a 100 bed hospital. The number of beds has been increased from 15 to 50 in Gulmi, Bardiya, Sarlahi and Sindhuli district hospitals while Hetauda Hospital became 50 bedded. Nine PHCCs and health posts have been converted into 15 bedded hospitals. An O&M survey was completed for upgrading four more health institutions (increasing bed numbers in 2 district hospitals and converting 2 PHCCs to 15 bed hospitals). MoF has consented on the recommendations of the O&M survey and further approval is underway. 7. An O&M report is at the final stage on the Department of Drug Administration and its units. 8. New positions approved for Central Health Laboratory and O&M survey is underway to establish regional health laboratory in Pokhara. 9. Establishment of 90 ayurvedic aushadhalayas (dispensaries) approved.
3.3 Redeployment of health workforce	• Identification of number of health workforce to be redeployed within VDC/municipality and district • Transfer of health workers from health facilities with surplus health workers to facilities with short supply	• Percent of health facilities with a surplus vs. percentage with a deficit	1. Towards implementing the HRH strategy (which entails creating 14,497 additional positions), a survey was carried out in 2014 to identify the number of essential health workforce in the health facilities of 15 districts. The final report will be prepared soon. 2. In 2013/14 NPC's National Development Volunteer Service recruited 456 trained health workers as volunteers to supplement service provision at health facilities in some parts of the country. 395 such volunteers have been recruited In 2014/15. 3. Local government bodies are recruiting trained health workers.

Key objectives	Key activities	Key indicators	Progress to date
3.4 Improving quality of health services	• Establish a system for review of quality health services by January 31, 2011 • Improvement and expansion of physical infrastructure (HP/SHPs and strengthening district hospitals)	• Annual review of quality of drugs, equipment and facilities and social audits are conducted • Number of facilities meeting adequate standards	1. The new National Health Policy was approved in 2014 (2071 BS). It calls for improving the quality of health services in Nepal's health sector. 2. The formulation of a comprehensive Public Health Act is in progress. This act will serve as the umbrella act for Nepal's health sector. It will cover basic aspects for quality health services and will cover major gaps in the regulation of the health sector. 3. For the first time, the Management Division used GIS based information in the HIIS to select new health facility construction for FY 2014/15. Also: • MoHP started using the HIIS to identify the most suitable location for secondary and tertiary level hospitals. • The criteria for upgrading health facilities were further developed and then approved in August 2014. • Land selection criteria for new health facilities were endorsed in May 2014. • Of the total 418 projects, 283 are ongoing (125 in finishing stage); 67 handed over, and 68 already completed and under handover.
3.5 Strengthening quality assurance and M&E	• Scale up disaggregated data collection system through HMIS • Link other sectors in HMIS e.g. with vital registration • Quarterly publication of health statistics and analysis • Update & prepare new guidelines & protocols for PHC system • Carry out annual facility surveys	• Disaggregated data and analysis is available. • HMIS report is published quarterly. • Facility survey conducted annually	4. The revised Health Management Information System (HMIS) was introduced across the country in FY 2071/72 (2014/15) including for the collection and reporting of disaggregated data. 5. DoHS's annual report is published each year containing status of all major HMIS indicators. 2013/14 annual report is being finalized. 6. Health facility-wise online data entry system has been introduced at district level. Programme divisions and centres can generate HMIS monthly statistical reports for programme monitoring purposes. 7. The HMIS Section has completed GIS based health facility mapping in all 75 districts. 8. The revised HMIS has adopted the District Health Information System-2 (DHIS-2) software for collecting, analysing and reporting HMIS data at the district level. The software is being customized and will be rolled out later in 2015. 9. MoHP is developing a unified coding system for use by health institutions so that data from different MISs can be linked and compared. This will help institute functional linkages between health information systems. 10. The first Nepal Health Facility Survey (NHFS), which assesses service availability, readiness, quality and client & provider satisfaction, is being carried out in 2015. Data collection will begin in March 2015. The NHFS is designed to harmonize the annual service tracking surveys (STS) of MoHP and global standard surveys including the Service Availability and Readiness Assessments (SARA) and Service Provision Assessments (SPA). The report of the findings of NHFS 2015 should be ready in early 2016.

Key objectives	Key activities	Key indicators	Progress to date
4. FINANCIAL MANAGEMENT			
4.1 Adequate and timely financial management at central, district and health facility level	• Timely preparation and submission of trimesterly FM reports covering all program activities and all districts • Establish a computerized system for accounting and reporting at MoHP and DHOs with networking facilities between them	• Trimesterly reports of adequate quality and coverage submitted for smooth disbursement of funds to the program • Explore use of an integrated computerized system to link physical and financial progress	1. A viewer model has been developed and integrated in TABUCS to enable high level officials and EDPs to get updates on fund flows, expenditure and audit status of all MoHP's cost centres. 2. MoHP, in consultation with external development partners (EDPs), reduced the number of financial monitoring report (FMR) reporting templates from 33 to 8. This is facilitating the more timely submission of FMRs. 3. The online connectivity with the Financial Comptroller General Office (FCGO) (from November 2013) and the inclusion of FMRs in the TABUCS are expected to facilitate the more timely submission of FMRs with improved quality and coverage. 4. There have been substantial improvements in the timely preparation and submission of FMRs as: first trimester report for FY 2014/15 (mid-July to mid-Nov 2014) was submitted in November 2014; and audited financial statement for FY 2012/13 was submitted on 14 August 2014. 5. The implementation of TABUCS across the country, the training of all cost centre staff on TABUCS and the establishment of a TABUCS implementation unit (TIU) at MoHP have strengthened financial networking between central and field offices. In 2013/14, the TABUCS captured more than 97% of expenditure data.
4.2 Timely fund release to health facilities	• Provide adequate and timely support to districts to submit AWPB • Put in place a clear system of norms and procedures for appraisal of plans and approvals of budgets • Fix deadlines for key budget decisions e.g. list of health facilities selected for new activities and block grants by the DoHS and DHO to be included in AWPB • Implement a fund-flow tracking system developed in software	• Number of districts undertaking stakeholder consultations for plan preparation and budget approvals • Share of annual budget released in the first trimester by DoHS • Share of health facilities getting grants within one month after FY beginning • Implementation of fund flow tracking system • At least 85% absorption rate of committed funds for the health sector	1. An authorisation module has been developed and integrated in TABUCS to save time for preparing authorisation letters for cost centres. 2. The total expenditure in first trimester of FY 2014/15 was only 8.35% of total budget — around 40% of amount allocated for the period. 3. The budget absorption rate for FY 2013/14 was 75.1%. This rate has been low in the NHSP-2 period. See the current JAR report on financial management for more details on this issue. 4. Substantial improvements made on reimbursement.

Key objectives	Key activities	Key indicators	Progress to date
4.3 Improve the quality of asset management	• Regular updating of inventory of all assets under its use by talking physical count and reconciling the result with records • Improve inventory software for non-consumable fixed assets and strengthen LIMS • Formulate policy for discarding obsolete equipment • Creation of a Physical Assets Management Unit (building and equipment) within management division in DoHS with adequate staffing • Introduction of Public-Private Partnerships in contracting out district level monitoring of the quality of procured drugs and medical equipment. • District Level capacity enhanced to comply with quality assurance of health care services • Providing adequate funds for maintenance in AWPB	• Updated asset inventory report submitted on an annual basis during the JAR • Staff position created/reallocated and filled • Verification of amount line budget item in AWPB	1. Inventory updating and checking completed. 2. Draft guidelines have been prepared for the disposal of obsolete medical equipment. These guidelines will now go through the approval process. Disposal process is planned. 3. The Management Division in partnership with KFW is working for contracting the private sector for the repair and maintenance of equipment in all five regions based on the same model that has been developed and implemented in the Far Western and Western Development Regions. 4. The Management Divison hired a civil engineer in its Physical Assets Management Unit (PAMU) one year ago and is hiring 5 civil engineers and 5 biomedical engineers, who will be deployed at the regional level to supervise and monitor construcution works.
4.4 Update Financial Regulations for Hospitals and for Management Committees	• Update Financial Regulations for Hospitals • Update Financial Regulations for Management Committees	• Acceptable Financial Regulations prepared for Hospitals and Management Committees	1. Hospital Financial Regulations were drafted in 2012/13. They are under consideration by MoHP.
4.5 Operating Procedure made transparent for Non-state Partners/NGOs	• Prepare Act/Regulations for Non-state Partners/NGOs	• A separate working modality developed for Non-state partners/NGOs involved in the health sector.	1. Response from MoF is still awaited on the State-Non State Partnership Policy for the Health Sector, which was developed in 2012/13.

Key objectives	Key activities	Key indicators	Progress to date
4.6 Adequate Funds ensured for operation and maintenance of medical equipment and hospital buildings	• Include at least 2% of budget for Operation and Maintenance (O&M) in the annual work program and budget for operations and maintenance of medical equipment and hospital buildings • Monitor the O&M expenditures	• At least 2% of budget is ensured for O&M in the budget.	1. NPR 102.5 million has been allocated by the Management Division for the repair and maintenance of health infrastructure, which is 3.58% of the total budget allocated for construction (NPR 2,856 million). 2. NPR 97 million has been allocated for hiring private sector compnies to repair and maintain equipment across all five development regions.
4.7 Taking prompt action on audit irregularities	• Form an audit irregularities clearance committee • Reduce the irregularities to less than 20% every year.	• Audit irregularities reduced to less than 20 percent. • Action Plan developed and implemented to rectify the weaknesses observed by the audits	1. The audit status report on all MoHP cost centers was prepared and posted on the MoHP/TABUCS website. 2. The proportion of audit queries against audited amount in FY 2012/13, increased to 13.8% from 7.1% in 2011/12. 3. 39% of the cumulative amount of total irregularities had been cleared by the end of FY 2012/13. 4. MoHP's audit committee, which was formed in 2012, is functional and taking the lead in developing relevant guidelines, responding to audit queries, enhancing the capacity of concerned officials. MoHP endorsed the Audit Clearance Guidelines & Internal Control Guidelines in 2014. 5. To improve the management of audit queries and other financial management issues MoHP is planning to build the capacity of programme managers and finance officers on public financial management.
5. PROCUREMENT			
5.1 Procurement at central and district level	• Prepare consolidated annual procurement plans • Training for strengthening procurement capacity at central and district levels • Engage procurement support for NHSPII implementation • Revise procurement policy and guidelines for MoHP • Revise logistics management policy and guidelines • A sound Quality Assurance (QA) System including pre- and post-shipment is in place at centre and at district level to monitor the quality of procured drugs • Local capacity is enhanced at District Level to comply with QA	• Standards and procedures in place for procurement best practices • Districts reporting difficulties in procurement • Monitoring reports on procurement • Training conducted on procurement at least once a year for all DHOs and cost centres • QA is applied as a standard operating procedure at the centre as well as district level	1. A Consolidated Annual Procurement Plan for 2014/15 was prepared and approved 2. LMD central level staff trained on procurement and related disciplines. Training plan prepared for district procurement training in early 2015. 3. Twice monthly monitoring reporting on procurement progress was introduced in 2014. 4. Operating manual introduced in order to standardise procedures on LMD procurement. 5. New procurement policies and procedures and action points (in the form of short-, medium- and long-term activities) will be introduced under the on-going Procurement Reform Programme. 6. Staff trained for e-submission process.

Key objectives	Key activities	Key indicators	Progress to date
5.2 Timely availability of drugs, equipment and supplies	• Adopt multi-year framework contracting for essential drugs, commodities and equipment by August 31, 2010 • Consolidated (including goods, works, services for the whole ministry regardless of financing source) annual procurement plan made available to all interested parties at cost price six months before the beginning of the fiscal year on the website • Amend Drug Act and give Nepal Drug Research Lab independent status. • Introduce e-procurement	• Percentage of health facilities with tracer drug stock out	1. Where appropriate, multi–year framework contracting has been introduced for procurement. 2. A draft amendment to the current Drug Act has been prepared. 3. The process is still ongoing to give the Nepal Drug Research Laboratory independent status. 4. Stockouts of family planning, MNCH and key essential drugs are being monitored.

Key objectives	Key activities	Key indicators	Progress to date
6. ENVIRONMENT			
6.1 Ensuring continued access to EHCS for all people in the face of emergencies, crisis & conflict situation	• Develop guidelines for immediate response and possible activities to deal with women & children and the poor affected by conflict • Provision of annual contingency plans and budgets for districts incorporating RH and GBV issues • Ensure that all health facilities have and implement a waste management plan	• Emergency contingency plan and initiatives to dealt with women and children in conflict situations	1. The hospital based One-stop Crisis Management Centre (OCMC) Operational Guidelines were revised based on feedback from annual reviews and mentoring visits. This is under the process of approval. 2. The draft gender-based violence (GBV) clinical protocol was prepared. This protocol for front line health workers for the health system response is under finalization. 3. One new OCMC was established to bring the total number to 16. These centres are being strengthened in hospitals to provide integrated support for GBV survivors. 4. Medico-legal training was provided to 17 medical officers from OCMC-based hospitals. 5. Social Service Unit (SSU) guidelines (on facilitating provision of free and partially free health services to poor, marginalised and GBV survivors from referral hospitals) were revised taking into consideration SSU study, workshop, and field visits. Revised guidelines were approved in Dec-14. 6. Health Care Waste Management Guidelines were revised and updated. Are consistent with international standards. 7. Orientation and trainings was provided to concerned health officials including on-site coaching for hospital in-charges and nurses. 8. Separate budget allocations made specifically for health care waste management by zonal and regional hospitals. For other hospitals, resources were allocated under MoHP's district strengthening programme, thus ensuring budget for all 75 districts for this purpose.
6.2 Promoting clean/solar energy	• Replacing kerosene energy with solar energy	• Number of health facilities with cleaner and safer energy sources.	1. NPR 9 million was allocated to health facilities in six districts to install solar power (NPR 1.5 million per district for four districts of the Karnali Zone, and Manang and Mustang districts.

Key objectives	Key activities	Key indicators	Progress to date
7. SOCIAL / EQUITY ACCESS AND INCLUSION			
7.1 Advancing the social inclusion of all citizens and ensuring government is more accountable	• Updating social audit guidelines and their distribution to all stakeholders • Provision of training and budget for undertaking social audits as per the guidelines • Capacity building of local HFMCs on GESI application • Capacity building of GESI units at all levels • Dissemination and use of community scorecard for social audit information • Translation of GESI strategy into a set of activities with clear accountability for results.	• Districts and health facilities undertaking social audits as per the guidelines and their link to the next year planning cycle • Share/number of health facilities completing social audit by trimester by district • Random sample review of social audit reports and field verification • HMIS, independent surveys and social audits provide intermediate evidence of improved outcomes for women and excluded groups • 2011 and 2016 DHS registers improvements in health, nutrition and family planning outcomes for women and excluded groups	Social auditing: 1. With AWPB funding, the social auditing of health service provision was implemented across 45 districts in 602 health facilities in 2013/14. Health facilities undertook social audits according to the guidelines while linking their audits to next year's VDC and DDC planning cycles. 2. PHCRD is conducting social auditing in 45 districts in 2014/15 covering 802 facilities (including 200 new ones). Orientation programmes on social auditing are being run in FY second trimester. 3. PHCRD has started a process evaluation of social auditing in health facilities (in 6 districts in 2014/15). The first round of baseline information collection was completed in 2014 in 10 health facilities of Jhapa and Ilam districts. The process evaluation will be completed in mid-2015. HMIS: The HMIS Section identified 11 of its standard indicators that needed disaggregating by sex, age, location and caste/ethnicity. Disaggregated data is being regularly collected on these indicators from FY 2014/15. EAP: The Equity and Access Programme (EAP) was implemented in 20 districts in 2013/14. NGOs, with the help of female community health volunteers (FCHVs), empowered women and poor and excluded people to access health services. GESI institutional structure and capacity building: • Up to end of 2014, GESI technical working groups (TWGs) had been formed in all 75 districts and GESI focal persons nominated in all 5 regional health directorates (RHDs) and all 75 district health office/district public health offices (DHOs/DPHOs). From FY 2012/13 the Population Division's AWPBs have provided budgets to fund biannual (6-monthly) reviews of GESI mainstreaming at the district level. Health for Life and the United Nations Population Fund (UNFPA) are providing technical support for GESI capacity building where they have district officers. • GESI mainstreaming training (based on GESI Operational Guidelines) was initiated for health facility in-charges and district supervisors in 13 districts in 2013/14 and is planned for a further 16 districts in 2014/15.

Key objectives	Key activities	Key indicators	Progress to date
7.2 Health Facility Management Committees (HFMC) are established and effective	• Facilitation at the local level to ensure that representative HFMCs are formed in all health facilities and oriented in the roles, responsibilities and right they hold for health services. • Annual progress reports to include information on the existence and functioning of the HFMCs • Recruitment of local health personnel through HFMC	• Number/share of health facilities with duly formed HFMCs by district	• Since 2013, GESI has been integrated into population training courses to improve the conceptual clarity and impact of local health authorities on GESI. The staff of regional health directorates, district health officers, district public health officers, GESI focal persons, local development officers and DDC planning officers from all 75 districts took part in 2014. • The subject of GESI and its application (including OCMCs, SSUs, social auditing, and EAP) was integrated into NHTC-run induction training for newly appointed doctors and health. In addition, GESI training was provided to upgraded health staff. <u>HFOMC curriculum revision from GESI perspective:</u> • In 2014, staff from NHTC, RHTC, DPHO/DHOs and health facilities participated in a master ToT on the revised curriculum for HFOMCs to test the new GESI-integrated curriculum. Resulting feedback was incorporated in the curriculum at a national workshop. The HFOMC package was updated including GESI elements, also based on feedback from training conducted in Suaahara and H4L districts. The NHTC has endorsed the final revised updated HFOMC curriculum. • HFOMCs are being reformed in 16 districts and orientations of the new committees are ongoing using the revised curriculum.