Background thematic report no. 2

Progress Report on Governance and Accountability Action Plan (GAAP)

2012/13

Report Prepared for Joint Annual Review (JAR)

January 2014

Government of Nepal (GoN)
Ministry of Health and Population (MoHP)
Ramshah Path, Kathmandu, Nepal

EXECUTIVE SUMMARY

Progress Report on Governance and Accountability Action Plan (GAAP) 2012/13

The Governance and Accountability Action Plan (GAAP) of the Nepal Health Sector Programme-2 (NHSP-2) is the action plan for improving governance and accountability in Nepal's health sector.

A. Progress and Achievements against the GAAP

Sector governance and enabling environment — A major step forward was the agreement between MoHP and the Ministry of Federal Affairs and Local Development (MoFALD) on a 'Collaborative Framework' to strengthen local health governance. Other important progress was performance based contracts being made with seven hospitals, the start of implementation of the Financial Management Improvement Plan (FMIP), and the introduction of the Health Infrastructure Information System (HIIS) to strengthen health infrastructure planning and management.

Implementation and institutional capacity — In 2013, the amendment of the Health Services Act led to the resumption of the regular recruitment of health workers. At the same time, under the HRH strategy (2011–2015), work began to create additional sanctioned posts, including several hundred new doctor positions, and to carry out a study on creating more than 14,000 new posts. Progress was also made by improving systems for planning the development and maintenance of the health infrastructure, and by the revision of recording and reporting tools of the Health Management Information System (HMIS).

Financial management — The most notable financial management achievements were updating the Financial Management Improvement Plan (FMIP), forming the financial management working group, improved reporting templates for financial monitoring, the institutionalisation of the Transactional Accounting and Budget Control System (TABUCS) and establishing online connectivity with the Financial Comptroller General's Office (FCGO) for more timely reporting.

Procurement — The production of annual consolidated procurement plans, a contract management database system, the technical specifications databank and the HIIS, as well as the multi-year procurement of essential drugs and health commodities all make for more systematic, efficient and transparent procurement.

Environment — Hospital based one-stop crisis management centres (OCMC) are providing services in 15 hospitals.

Social equity, access and inclusion — The highlights were the further establishment and activation of the GESI institutional structure at all levels, the approval of the social auditing guidelines, and the subsequent social auditing of health facilities in 21 districts with AWPB resources.

B. The Way Forward

To address the considerable challenges that face the implementation of the GAAP in 2014 MoHP, with support from its partners, will prepare guidelines for implementing the collaborative framework with MoFALD; continue to improve financial management and the management of procurement and human resources; will continue to produce measurable and verifiable GAAP indicators; and will implement the new guidelines and manuals for improved health sector governance and accountability.

CONTENTS

ACRONYMS

AHW	auxiliary health worker
ANM	auxiliary nurse-midwife
ASBA	advanced skilled birth attendant
AWPB	annual workplan and budget
BMET	biomedical technician
CTS	clinical training skills
DDC	district development committee
DHO	district health office
DHS	demographic health survey
DoHS	Department of Health Services
DPHO	district public health office
eAWPB	electronic annual planning and budgeting
EDCD	Epidemiology and Disease Control Division
EDP	external development partner
FCGO	Financial Comptroller General Office
FCHV	female community health volunteer
FMIP	Financial Management Improvement Plan
FY	financial year
GAAP	Governance and Accountability Action Plan
GBV	gender based violence
GESI	gender equality and social inclusion
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
LMIS	Logistics Management Information System
MD	Management Division
MoF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Government
MoHP	Ministry of Health and Population
MToT	master training of trainers
NHTC	National Health Training Centre
NPR	Nepali rupees
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
OTTM	operation theatre technique management
PAMU	Physical Assets Management Unit
PFM	public financial management
PHCRD	Primary Health Care Revitalisation Division
QA	quality assurance
RH	reproductive health
SBA	skilled birth attendant
SSU	social service unit
STS	Service Tracking Survey
TABUCS	Transactional Accounting and Budget Control System
ToT	training of trainers
USG	ultrasonogram
VDC	village development committee

1. INTRODUCTION

1.1. Background

Health governance and accountability remains a priority of the Ministry of Health and Population (MoHP). 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, focusing primarily on the poor and excluded. MoHP is firmly committed to NHSP-2's action plan.

1.2. Objective

The objective of this report is to share the progress made against the GAAP in fiscal year 2012/13 in terms of health governance and accountability. It also includes the current status of other relevant activities.

2. PROGRESS AND ACHIEVEMENTS

2.1. Overall Achievements

MoHP has made good progress in implementing the GAAP, despite the substantial challenges that are largely due to the cross-cutting nature of governance and accountability:

2.1.1. Local health governance strengthening

In December 2013, an agreement was reached between MoHP and MoFALD on a 'collaborative framework' to strengthen local health governance in the country. The major objectives of the framework include:

- increasing access to and the use of quality health care services for poor and disadvantaged people;
- encouraging a participatory approach in health and community development programmes at the local level, and
- multisectoral coordination under the umbrella of local government bodies.

The aim is for health governance activities to be carried out more efficiently and effectively in a collaborative way to strengthen decentralisation and local governance.

Moreover, health is recognised as an important development agenda both for local bodies and overall for health sector reform.

2.1.2. Human resources management

Due to delays in amending the Health Services Act (1997), many positions in the health service had remained vacant for quite a long time, thus affecting service delivery. The act was amended in 2013 including for ensuring inclusiveness in recruitment. Following the coming into force of this amendment, recruitment restarted and most vacancies are in process of being filled and forthcoming vacancies will be filled on a regular basis. Also, a number of health workers have been recruited locally on contracts and on a temporary basis. The process has also been started to create additional sanctioned posts as articulated in the Human Resources for Health (HRH) Strategy 2011–2015. Work is underway to provide incentives and capacity development opportunities to encourage staff retention.

2.1.3. Financial management

A number of major initiatives to improve financial management in the health sector were started in previous years and have continued through to the present and are ongoing. Progress has been seen in developing and updating the Financial Management Improvement Plan (FMIP), forming the financial management working group, improving reporting templates of financial monitoring reports (FMR) and completing the software for the Transactional Accounting and Budget Control System (TABUCS) and beginning to implement this system. These initiatives have positively influenced the financial management practices and fund absorption capacity of Nepal's health sector.

The rollout of the electronic annual planning and budgeting (eAWPB) software is planned at all cost centres under MoHP and progress is underway to integrate TABUCS with the eAWPB, to make budgets

more realistic and output based. Performance based contracts have been made with seven hospitals to form a basis for output-based budgeting.

2.1.4. Procurement and infrastructure management

Considerable progress has been made on the production of annual consolidated procurement plans. A contract management database system has been developed for use by the Logistics Management Division (LMD). A technical specifications databank has been prepared and uploaded on to LMD's website. It is being continuously updated and improved. Several procurement-related guidelines have been merged into an LMD operational manual on procurement procedures. These initiatives will facilitate the smooth functioning and consistency of procurement processes.

The Government of Nepal (GoN) is working to institutionalise evidence-based planning for the construction, operation and maintenance of health facility and hospital buildings and to ensure the effective management and efficient use of resources for the more equitable distribution and access to health care at all levels of health facilities. Appropriate and clear policies, strategies, plans, standards, and guidelines are being developed and the skills of implementers improved.

2.2. Achievements Related to GAAP Thematic Areas

The following text highlights the progress against activities that are specified under the seven thematic of the GAAP framework.

2.2.1. Sector governance/enabling environment

Performance based contracts were made with seven hospitals and health institutions. This should strengthen the output based budget system. It is planned to extend this initiative to more hospitals.

The Financial Management Improvement Plan is now being implemented to strengthen financial planning, accounting procedures, the internal control system, financial reporting, monitoring, auditing, and transparency measures. Further improvement of the plan is ongoing.

The eAWPB is being used as a web-based planning tool to provide budget allocations against the NHSP-2 results framework. Progress is underway on integrating the TABUCS with the eAWPB to make budgets more realistic and output based. Also, MoHP decided to rollout the eAWPB software to all its cost centres.

MoHP and its units are continuing the process of public disclosure by placing information on websites and other media sources. Efforts are underway to further improve the disclosure system in all units under the ministry. Along these lines a web-based information system (the Health Infrastructure Information System, HIIS) has been instituted to strengthen infrastructure planning and management in Nepal's health sector. The database is open access and is located on MoHP's website.

2.2.2. Stakeholders

As in previous years, the Office of the Auditor General (OAG) carried out a performance audit of selected MoHP activities in 2012/13.[1]

[1] See JAR financial management report for detailed responses.

2.2.3. Implementation capacity/institutional capacity

A number of training programmes were provided to different levels of staff in 2013.

Due to delays in amending the Health Services Act, the regular recruitment of health workers had been stalled for some years, thus affecting service delivery. It was amended in 2013. Following this, the process of filling all vacant positions was started and is continuing.

Also, to improve human resources management and also for long term planning, different studies have been conducted. Currently, 330 new medical doctor positions have been proposed and are in process of approval.

Upon the recommendation of the HRH strategy 2011–2015, MoHP decided to carry out an organisation and management study (O&M study) on the gradual creation of more than 14,000 new posts. A number of health workers have been recruited locally on a temporary basis or on local contracts.

Considerable progress has been made on improving systems for planning the development and maintenance of the health infrastructure. To maintain standards and uniformity in the public health facility buildings across the country, standard designs have been developed and are under approval. The standard designs allow for adaptation for different ecological regions and bed numbers.

On the strengthening quality assurance and M&E, the Health Management Information System (HMIS) recording and reporting tools have been revised. The Service Tracking Survey (STS) of health service delivery is being conducted each year. The first draft of STS 2013 has been produced. A health facility-wise online data entry system has been introduced under HMIS.

2.2.4. Financial management

There have been improvements in the timely preparation and submission of quarterly reports. Online connectivity with the Financial Comptroller General's Office (FCGO) has been established, which will facilitate timely reporting. As part of establishing a computerised system for accounting and reporting, MoHP has decided to rollout TABUCS in all its cost centres.

A State Non State Partnership Policy for the health sector has been developed and sent to other ministries for their comments in the process of approval. Financial regulations have been developed for hospitals and are in process of approval.

2.2.5. Procurement

Multi-year procurement is ongoing for family planning commodities, vaccines, essential drugs, and medical equipment. It is planned to extend multi-year procurement to other items. Pre- and post-shipment inspections and the laboratory testing of drugs and medical consumables are being carried out.

2.2.6. Environment

Hospital based one-stop crisis management centres (OCMC) are providing services in 15 hospitals. An assessment of their performance was carried out, which has identified strengths, constraints and further support needs of OCMCs.

An orientation was provided to the concerned officials of three zonal hospitals to replicate a model for improved waste management in their hospitals.

2.2.7. Social equity, access and inclusion

The harmonised social auditing guidelines were approved by MoHP in June 2013 incorporating feedback from 20 districts where social audits had been carried out. With resources allocated in the AWPB, social auditing was implemented in 21 districts in 177 new health facilities in 2012/13. Moreover, PHCRD is conducting social auditing in 42 districts in 2013/14, covering in total 500 health facilities. The community scorecards that are a part of social auditing process will form a future basis for the performance evaluations of health facilities in the future. Also, good progress was made on establishing and activating the GESI institutional structure and capacity building from central to health facility levels.

3. MAJOR 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 main 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.
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.

4. THE WAY FORWARD

1 MoHP is firmly committed to strengthening local health governance. Guidelines will be prepared for implementing the recently agreed collaborative framework with MoFALD, after which implementation will proceed.

2 Various initiatives including to improve the management of finances, procurement and human resources will continue to address the objectives of the GAAP.

3 Work will continue to revise and introduce measurable and verifiable GAAP indicators building on the work of the joint MOHP–EDPs group to enhance effective implementation of GAAP.

4 A number of guidelines and procedural manuals have been developed to maintain consistency and smooth functioning. Efforts will be made to implement these directives to strengthen health governance and accountability.

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 FY2010/11	• Performance-based contracts made with seven hospitals/institutions to strengthen output-based budget system. • Work is underway on integrating the Transactional Accounting and Budget Control System (TABUCS) with eAWPB, to make budgets more realistic and output based. • The FMIP (Financial Management Improvement Plan) developed in last FY is under implementation. Further improvement of the plan is ongoing in consultation with pooled funding partners. • Decision taken to roll out eAWPB software (to all cost centres). Training of training (ToT) completed for this purpose. • Multi-year funding commitment is ongoing from pooled fund partners.
1.2 Implementation of transparency and disclosure measures	• 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	• Regular improvements have been made in updating the ministry's website. Health related legislation, the eAWPB, FMIP, business plans, research reports and other relevant materials have been uploaded on MoHP's website. • A web-based information system (Health Infrastructure Information System, HIIS) has been developed to strengthen infrastructure planning and management in Nepal's health sector. It is open access from MoHP's home page: www.mohp.gov.np • LMD, through its website, discloses all procurement related information including consolidated annual procurement plan (CAPP). • DoHS's website is being upgraded with the support of a newly assigned IT officer. • The Management Division (MD) has allocated resources to all district health offices (DHOs and DPHOs) for the upgrading of websites. Almost 50% of districts' websites are active. Efforts are underway to improve the websites. • Disclosure of information of public interest is underway. This includes the display of lists of women receiving incentives for institutional deliveries at most health facilities that implement the Aama Programme.

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 NHSPII Implementation Plan by MoHP/DoHS with close coordination with the pooled partners and OAG • Timely advance discussions on how the performance audit can supplement regular ongoing process • Public and social audits to feed into performance audits	• Identification of key issues in relations to performance of districts and thematic areas against the programs' overall goals and objectives	• The Office of the Auditor General (OAG) is annually carrying out performance audits of different units under MoHP. The responses to issues raised in 2012/13 have been incorporated in the Financial Management Report. In 2013/14 OAG is undertaking a performance audit concentrating on service delivery impacts of MoHP and five DPHOs. Consultations have been carried out on key areas to be addressed during this process.
3. IMPLEMENTATION AND INSTITUTIONAL CAPACITY			
3.1 Ensuring adequate capacity development of institutions and human resources strengthening to effectively implement NHSP2 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 NHSP II planned implementation, in the key institutions of health and other multi-sectoral bodies foreseen for NHSPII e.g. nutrition and HIV/AIDS	NHTC has provided various training programmes in last FY. The number of health workers trained on different training courses in 2012/13 include: <u>Central</u>: • SBA-425 participants • ASBA-10 • CTS for SBA-16 • USG-14 • NSV-38 • Minilap (doctors)-21 • Minilap (nurses)-21

Key objectives	Key activities	Key indicators	Progress to date
			• Implant-78 • IUCD-16 • BMET-16 • Anaesthesia assistant-9 Regional: • Sr AHW-295 • Sr ANM- 72 • ANM (Padnam)- 60 In current FY (2013/14), no. of health workers trained so far on different courses includes: • SBA-54 • Medico-legal-32 • Safe abortion services (SAS)-44 • NSV-2 • Minilap-16(doctor-8 & nurse-8) • Implant-58 • IUCD-44 • Palliative care- 21 • OTTM- 10 • Induction training (undergoing)-144 (Officer cadre) As HMIS tools have been revised, training programme is planned for concerned staff from central level to female community health volunteers (FCHVs), and also for the private sector (= approx. total 80,000 people). MToT is ongoing for this purpose. MD conducted dental paramedics training for 200 participants and mental training for 150 in 2012/13. NHTC has incorporated following capacity development programmes in 2013/14: • Induction training package is developed for newly recruited officers and non-officers and such induction training has been started.

Key objectives	Key activities	Key indicators	Progress to date
			• Training package developed and curriculum developed for AHWs and ANMs • Training package development for capacity development of district supervisors (6th and 7th level) is underway. • Planned development of capacity of district supervisors (6th and 7th level) in 2013/14.
3.2 Ensuring adequate number and diversity of health workforce as per norms set by MoHP	• AWPB preparation and approvals • AWPB to incorporate institutional development program • Implementation of phase 1 of health facility block grants in underserved districts • Implementation of Remote Area Allowance (pending Cabinet approval) • Conduct Organization and Management survey • Implementation of deployment and retention plan • Implement strategies for recruitment of local staff and to increase diversity in health workforce	• Information on short supply/surplus of health workforce by health facilities and/or district health offices; and on underserved communities • Diversity of staff increased	• On the basis of the completed organisation and management (O&M) survey, 330 new medical doctor positions have been proposed and recommendation sent to MoF for consent. • The O&M survey was completed and the report submitted recommending the upgrading of 500 SHPs to health posts and establishing 20 PHCCs and 6 hospitals. • The Health Services Act was amended including for inclusive recruitment. Following this amendment the process for filling all vacant health services positions was started. For remaining vacancies, requisitions are being sent to the Public Service Commission on a regular basis. • A curriculum has been developed to start a midwifery course. Consultations with medical institutes were held to run the course. • Process initiated to include risk allowance and non-practicing allowances in proposed Health Service Rules amendment. This is under consideration by MoF. • Upon the recommendation of the HRH strategy, MoHP has decided to carry out an O&M survey for more than 14,000 additional posts, which will go to MoF for approval. • In addition, a number of health workers have been recruited locally on temporary/contract basis.
3.3 Redeployment of health workforce	• Identification of number of health workforce to be redeployed within	• Percent of health facilities with a surplus vs. percentage with a	Following initiatives completed to strengthen human resources management and for long term planning of human resources for health (HRH) studies: • HRH functions mapping.

Key objectives	Key activities	Key indicators	Progress to date
	VDC/municipality and district • Transfer of health workers from health facilities with surplus health workers to facilities with short supply	deficit	• Human resources for health in Nepal country profile (public plus private sector). • Health workforce plan and projections. Findings are under consideration by MoHP. A collaborative framework was agreed and signed between MoHP and MoFALD to strengthen local health governance.
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	• GoN (the cabinet), has in principle approved the formulation of a National Public Health Act to serve as the umbrella health act. This will bridge the gap meeting deficiencies in regulating the health sector. • A draft Health Institutions Operation and Regulation Act has been prepared to regulate and manage health services provided by public and private providers. • GoN approved health institutions establishment, expansion and upgrading related guidelines in 2013. The guidelines will streamline the maintenance of standards of health facilities, including in the private sector to assure quality services. • Health building infrastructure standard designs developed and under approval to maintain standards and uniformity of infrastructure of public health facilities across the country. Prepared for hospitals, PHCCs, HPs, birthing centres, CEOC sites, BEOC buildings and medical stores. • 211 new construction projects planned for 2013/14 and 418 ongoing projects. All these buildings are being carried out according to standards designed by MD/DoHS. • Orientations are being provided in all 75 districts to focal persons of DHOs and facilities in-charges on quality assurance.
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	• Disaggregated data and analysis is available. • HMIS report is published quarterly. • Facility survey conducted annually	• HMIS has revised recording and reporting tools, incorporating disaggregated requirement as per NHSP-2 logframe. This will be implemented from FY 2071/72 (2014/15). • Annual Report of DoHS published each year containing all major HMIS indicators. • A Service Tracking Survey (STS) of health service delivery is being conducted each year. STS 2011 and 2012 reports are publicly available. First draft of STS 2013 is being finalized. • Health facility-wise online data entry system has been introduced. • The work on health facility mapping (GIS) was completed in 57 districts and is underway in the remaining 18 districts.

Key objectives	Key activities	Key indicators	Progress to date
	• Update & prepare new guidelines & protocols for PHC system • Carry out annual facility surveys		• District Health Information System-2 (DHIS-2) software adopted in HMIS and being customised.
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	• Substantial improvements made in timely preparation and submission of quarterly reports. The third trimester report of FY 2012/13 is being submitted. • Online connectivity with Financial Comptroller General Office (FCGO) has been established, thus improving the reporting system. • MoHP decided to roll out TABUCS in all cost centres and ToT has been completed. Training will be conducted for cost centre users within this FY. • The PFM technical committee formed a working group with government and EDP participation. The working group is involved in revising the FMIP.
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	• Number of districts undertaking stakeholder consultations for plan preparation and budget approvals • Share of annual budget released in the first trimester by DoHS • Share of health facilities getting grants within one month after the beginning of FY • Implementation of fund	• The budget absorption rate for FY 2012/13 was 94.04% compared to 81.2% in 2011/12. • 16% of the budget was released in the first trimester of 2012/13. • There have been substantial improvements in reimbursements.

Key objectives	Key activities	Key indicators	Progress to date
	• Implement a fund-flow tracking system developed in software	flow tracking system • At least 85% absorption rate of committed funds for the health sector	
4.3 Improve the quality of asset management	• Regular updating of inventory of all assets under its use by talking physical count and reconciling the result with records • Improve inventory software for non-consumable fixed assets and strengthen LIMS • Formulate policy for discarding obsolete equipment • Creation of a Physical Assets Management Unit (building and equipment) within management division in DoHS with adequate staffing • Introduction of Public-Private Partnerships in contracting out district level monitoring of the quality of procured drugs and medical equipments. • District Level capacity	• 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	• The updating of the status of inventory (LMIS) is ongoing in district and regional medical stores. • The LMIS is functional. Service contracts for supporting and managing the web-based LMIS and for monitoring the budget were approved and are in process of being put out for tendering. • Auction guidelines have been developed and circulated to all related institutions for follow-up. • A Physical Assets Management Unit (PAMU) has been created and is functional. One civil engineer has been contracted to strengthen the unit.

Key objectives	Key activities	Key indicators	Progress to date
	enhanced to comply with quality assurance of health care services • Providing adequate funds for maintenance in AWPB		
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	• Financial Regulations developed for hospitals. They are in the process of approval.
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.	• A State Non-State Partnership Policy for the health sector has been developed and forwarded to concerned ministries for their comments. The response from MoF is awaited
4.6 Adequate Funds ensured for operation and maintenance of medical equipments and hospital buildings	• Include at least 2% of budget for Operation and Maintenance (O&M) in the annual work program and budget for operations and maintenance of medical equipment and hospital buildings • Monitor the O&M expenditures	• At least 2% of budget is ensured for O&M in the budget.	• 2.92% of the total budget for health infrastructure construction works was allocated for health building repair and maintenance in 2013/14.
4.7 Taking prompt action on audit irregularities	• Form an audit irregularities clearance committee • Reduce the irregularities	• Audit irregularities reduced to less than 20 percent. • Action Plan developed	• An audit committee was formed in April 2012 and is functional. • Efforts are underway to reduce audit queries against audited amounts from 9.5% in 2007/08 to 5.8% in 2010/11 and 7.14% in 2011/12. Among the 7.14% audit queries 5.10% were unsettled in

Key objectives	Key activities	Key indicators	Progress to date
	to less than 20% every year.	and implemented to rectify the weaknesses observed by the audits	advance. • MoHP has developed Internal Control Guidelines and Audit Clearance Guidelines. • The cumulative amount of total irregularities at the end of 2011/12 was NPR 2.49 billion. Out of this, 47.2% has been submitted for clearance and 36.9% was cleared in FY 2012/13.
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	• A consolidated annual procurement plan was prepared and approved for fiscal year 2070/71 (2013/14). • The pre-shipment and post-shipment inspection and laboratory testing of drugs and medical consumables are being done by a private inspecting agent at manufacturing sites; the post-shipment inspections of drugs is being done by laboratory testing; and the post shipment inspection of medical equipments is done by biomedical engineers at the central warehouse.

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 31 August 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	• Multi-year procurement is ongoing for family planning commodities, vaccines, essential drugs and medical equipment. • A draft was prepared of amendments to the Drug Act and consultations are being held on it with concerned stakeholders. • The Consolidated Annual Procurement Plan is available on LMD's website with open access.
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	• Emergency contingency plan and initiatives to dealt with women and children in conflict situations	• Orientation was given to concerned officials to replicate the health care waste management model in three zonal hospitals. Follow up is in progress on this initiative. • 90 new placenta pits were completed bringing the total to 420. • Hospital-based one-stop crisis management centres (OCMCs) are providing services to gender-based violence (GBV) survivors in 15 hospitals including the Kathmandu Maternity Hospital. • An assessment of the performance of OCMCs identified their strengths, constraints and further support needs.

Key objectives	Key activities	Key indicators	Progress to date
	budgets for districts incorporating RH and GBV issues • Ensure that all health facilities have and implement a waste management plan		• Hospital-based social service units (SSUs) were established in seven hospitals and preparatory work completed to establish an SSU in Bir Hospital. SSUs facilitate the access of poor, helpless people, senior citizens, disabled people, GBV victims and others marginalised persons to subsidised and free health services.
6.2 Promoting clean/solar energy	• Replacing kerosene energy with solar energy	• Number of health facilities with cleaner and safer energy sources	• The Management Division has allocated NPR 100,000 for each district for solar power backup support.
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	• 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	<u>Social auditing:</u> • The implementation of action plans prepared at the end of social audits was monitored in the 21 NHSSP-supported facilities in Palpa and Rupandehi districts. A process evaluation was carried out in June–July 2013 in the two piloted districts. • With AWPB funding, the social auditing approach was implemented across 21 districts in 177 new health facilities in 2012/13. • The harmonised social auditing guidelines were approved by MoHP in June 2013 after incorporating feedback from districts where social audits were conducted. Community scorecards were included in the guidelines as a part of the auditing process, which will form the basis for performance evaluations in the future. • Health facilities undertook social audits according to the guidelines and their link to the next year planning cycle of VDCs and DDCs (and were submitted to VDC and district councils where time permitted). • PHCRD is conducting social auditing in 42 districts in 2013/14 covering 500 facilities (including 296 new facilities). An orientation programmes on social auditing has been run in 17 districts. • The Equity and Access Programme (EAP) was implemented in 20 districts in FY 2012/13. NGOs, with the help of FCHVs, to empower women, and poor and excluded people to access health services.

Key objectives	Key activities	Key indicators	Progress to date
	activities with clear accountability for results.	• 2011 and 2016 DHS registers improvements in health, nutrition and family planning outcomes for women and excluded groups	<u>GESI institutional structure and capacity building:</u> • GESI technical working groups have been formed in 71 districts (51 in 2012 and 20 districts in 2013). GESI orientations provided to new technical working groups in 2013. • GESI was integrated into population training to give GESI clarity on concepts and role of GESI focal persons. Provided to RHD staff; DHO and DPHO GESI focal persons and statistical officers of 75 districts in 2013. In addition, GESI training delivered to 10 districts' health staff using appreciative inquiry. NHTC organised two inclusive governance training of trainers events for 60 participants from NHTC, DoHS, MoHP, and selected districts.
7.2 Health Facility Operation and Management Committees (HFOMC) 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	• HFOMC training manual updated including GESI elements integration. • It is planned to train all HFOMCs of Baglung and Syanja districts' health facilities in 2013/2014.