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STRENGTHENING CAPACITY IN HEALTH FINANCING, TANZANIA

QUARTERLY PERFORMANCE REPORT JANUARY-MARCH, 2013

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Strengthening Capacity in Health Financing Project
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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government.

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ACRONYMS

COP	Chief of Party
GoT	Government of Tanzania
HFS	Health Financing Strategy
HFU	Health Financing Unit
IR	Intermediate Result
ISC	Inter-ministerial Steering Committee
MOHSW	Ministry of Health and Social Welfare
NHA	National Health Accounts
PER	Public Expenditure Review
SCHF	Strengthening Capacity in Health Financing
TWGHF	Technical Working Group on Health Financing
TWG	Technical Working Group
USAID	United States Agency for International Development

I. INTRODUCTION

The Strengthening Capacity in Health Financing, Tanzania (SCHFT) is an 18-month Associate Award working with the Government of Tanzania (GoT) to build improved health financing capacity to ensure long-term sustainability of health programs in Tanzania. This Associate Award follows the Health Systems 20/20 leader award that ran from October 2006 to September 2012. The period of performance for this cooperative agreement is September 25, 2012 – March 24, 2014.

The SCHFT team's goal is to enhance GoT capacity to ensure equity, access, and availability of appropriate health services across the country and to make certain that program decisions and the allocation of resources are linked to evidence-based processes. The project works closely with the Ministry of Health and Social Welfare (MOHSW) Health Financing Unit (HFU), health sector development partners and Tanzanian organizations to achieve three Intermediate Results (IRs) and associated components:

- IR 1: Increased Effectiveness through Health Governance
Component 1: Develop MOHSW's capacity to provide ongoing management oversight of health financing, specifically by monitoring resource allocation through Public Expenditure Reviews (PER) and National Health Accounts (NHA)
- IR 2: Improved Planning for Financial Health Services
Component 2: Assist with completion of a HFS
- IR 3: Sustainable Operations Capacity
Component 3: Provide technical assistance to MOHSW to evaluate/assess/model some of the agreed-upon approaches to expanding pooled-risk systems

I.1 PROJECT ACCOMPLISHMENTS

During the second quarter, the project accomplished the following programmatic results:

- Submitted a revised draft Resource Tracking Institutionalization Plan to the HFU (activity 1.1)
- Assisted the MOHSW to analyze 2012 PER data and write a draft report (activity 1.2)
- Released a Request for Applications and selected the University of Dar es Salaam (UDSM) to work with the project to strengthen resource tracking capacity (activity 1.4)
- Conducted data collection and wrote a Minimum Benefits Package (MBP) policy options paper Inception Report, in collaboration with other ISC selected consultants (activity 2.1).

I.1.1 RESOURCE TRACKING INSTITUTIONALIZATION PLAN (ACTIVITY 1.1)

The MOHSW recognizes the value of using health financing data for decision-making and has embarked on a process to institutionalize health resource tracking. Institutionalization involves: developing in-country capacity to produce resource tracking data, strengthening demand for such data, improving the management of data and making budgetary provisions for conducting resource tracking exercises. Although the MOHSW HFU staffs regularly participates in and produce NHAs and PERs, the ministry has remained reliant on outside technical assistance to lead resource tracking exercises and provide overall quality assurance. This reliance on external assistance is only one of the areas that need to be strengthened to ensure resource tracking institutionalization in Tanzania.

To assist the MOHSW in their efforts to institutionalize resource tracking, the SCHFT project collaborated with the HFU staff during the first project quarter to draft a Resource Tracking Institutionalization Plan. During the second quarter, the SCHFT team assisted the HFU staff to conduct a rapid review of documents to determine the status of resource tracking institutionalization in Tanzania. The project also revised the draft Resource Tracking Institutionalization Plan to incorporate more details on the steps towards institutionalization. The plan now sets forth a framework that includes strengthening the demand for resource tracking data, resources for its production, availability of data for analysis, and use of the results for policy-making. At the end of the second quarter, the project submitted the revised plan to the MOHSW and is awaiting approval.

1.1.2 ASSIST MOHSW TO CONDUCT PER (ACTIVITY 1.2)

During this quarter, the SCHFT project made progress in achieving its objective to build the HFU's capacity to conduct the PER internally with minimal assistance from external consultants. Under HS 20/20, the project led the PER in collaboration with the HFU team. During this quarter, the HFU team successfully led PER data collection, analysis and report writing, with support from the SCHFT project's Chief of Party (COP). The MOHSW team completed data collection in February 2013. In March, the SCHFT project supported a 10-day data analysis and report writing workshop for ten attendees in Bagamoyo. Specific topics covered during this workshop included the following:

- Trends in health sector spending
- Health expenditure analysis by financing source, including donors, government and households
- Recurrent and development spending
- Health spending by MKUKUTA objectives
- Local government health spending
- Council resource allocations
- Spending on human resources
- Spending on reproductive and child health
- Development of recommendations for HFS, including recommendations for improving coverage of health funds
- Steps for developing the final PER report
- Tips on producing tables and graphics

At the end of the workshop, the participants completed a draft of the PER report, which was submitted to the MOHSW for comments. The final report is expected in June 2013.

1.1.3 DEVELOP CAPACITY OF SELECTED ACADEMIC INSTITUTION TO INCORPORATE NHA INTO COURSE CURRICULUM (ACTIVITY 1.4)

As an important step towards institutionalizing the production and use of resource-tracking data, the SCHFT team released a Request for Applications to identify a partner training institution whose capacity can be built to incorporate NHA training into its existing health economics curriculum. This activity will prepare faculty and students to better conduct NHA estimations, analyze NHA results and use the data generated for decision making regarding resource allocations and use in the health sector. The

University of Dar Es Salaam (UDSM) was selected to partner with SCHFT, and a subcontract is now pending approval by the USAID Agreement Officer.

1.1.4 PROVIDE SUPPORT TO THE HFU AND INTER-MINISTERIAL STEERING COMMITTEE IN DEVELOPING THE HEALTH FINANCING STRATEGY (ACTIVITY 2.1)

To inform the development of the HFS, the HFU and an Inter-ministerial Steering Committee¹ (ISC) are selecting consultants to develop policy options papers on various health financing topics. The process for selecting consultants to complete this work follows three steps:

1. Stakeholders submit to the MOHSW recommendations of both international and local consultants who could be contracted to develop the policy options papers.
2. MOHSW reviews and shares the recommended candidates with the Technical Working Group on Health Financing (TWGHF).
3. The TWGHF ranks the recommended candidates by order of merit, including technical qualifications, prior experience and knowledge of Tanzania health sector and economy.

During the second quarter, SCHFT proposed six candidates to the MOHSW². By the end of the quarter the TWGHF had approved the SCHFT COP and a local consultant hired by the project to write the MBP policy option paper. The TWGHF has not yet approved the other candidates proposed by the project for other papers (Financial Management Reform and Private Sector papers).

1.1.5 ASSISTING THE HFU TO DEVELOP ALTERNATIVE HEALTH FINANCING PROPOSALS (ACTIVITY 2.2)

During the first quarter, the SCHFT project collaborated with the HFU to complete terms of reference (TOR) for the nine policy options papers that will inform the HFS. During the second quarter, the ISC approved the SCHFT project to work on a MBP options paper in collaboration with GIZ. This paper will inform the process of defining services to be included in the minimum benefits package and the associated costs for packages of different configurations (i.e. amount and type of services covered). The project contracted a local consultant in March 2013 to work with the COP and an international consultant funded by GIZ. By the end of the quarter the team submitted their inception report and started data collection.

During this quarter the ISC also approved the Pay-for-Performance and Insurance Market Structure papers, which will be led by other development partners. The remaining six papers (which the ISC will approve at a later date) include: Inclusion of the Poor; Community Health Fund Reform; Financial Management Reform; Innovative Financing and Fiscal Space; Equity Orientation of Financing; and Private Sector.

¹ The Inter-ministerial Steering Committee brings together senior officials from the MOHSW, Ministry of Finance, and the Prime Minister's Office-Regional Administration to guide the development of the health financing strategy

² The candidates proposed included Dr. Thierry Van Bastelaer, James White, Dr. Daniel Ngowi, Stephen Musau, Rebecca Patsika and Avril Kaplan.

The project COP also delivered a revised health financing indicators matrix to the TWGHF (through the HFU), expanding on the matrix that he submitted during the first quarter. This matrix harmonizes definitions and methods of calculating various health financing indicators to minimize discrepancies that have been witnessed in past resource tracking reports. The HFU accepted the matrix and shared it with all consultants who are writing policy options papers to ensure that consistent figures are reported in all products.

1.1.6 PROJECT ADMINISTRATION AND MANAGEMENT

During this quarter, the SCHF team continued to ensure effective administration and management of the project operations in Tanzania. The project's work plan was finalized on January 9, 2013 and submitted to USAID/Tanzania. Project financial reporting deliverables, including quarterly financial reports and quarterly sub grantees reports, were submitted on time.

As shown in the table below, as of March 2013, the project had spent a total of \$. This leaves the project with an uncommitted budget balance of \$.

Table 1: Q2 Financial Expenditure Summary

SCHF Tanzania	
Total Obligated Funding:	
Less Cumulative expenditures (including accruals) as of March 2013:	
Less Cumulative Commitments as of March 2013:	
Obligated Funding Balance as of March 2013:	

2. M&E PERFORMANCE INDICATOR TABLE

Table 2: M&E Performance Indicators

Activity	Indicator	Data Source	Q1: October 1 – December 31, 2012		Q2: January 1 – March 31, 2013		End of Project Target
			Q1 Target	Q1 Result	Q2 Target	Q2 Result	
Intermediate Result 1: Increased effectiveness in health governance							
Component 1: Develop capacity to provide ongoing management oversight of health financing in MOHSW, specifically monitoring resource allocation through PERs and NHA							
1.1	1.1: MOHSW formally approves an institutionalization plan for resource tracking and initiates implementation of at least 2 planned activities before the end of project	Institutionalization plan	Draft institutionalization plan developed	Draft institutionalization plan completed	Institutionalization plan finalized.	Draft plan submitted to HFU, MOHSW	Completed
1.2	1.2: MOHSW-led PER completed with support from local technical/academic institution	Draft PER report	PER commenced	PER commenced	PER data analysis complete	Data analysis completed	Completed
1.3	1.3.1: Number of relevant technical staff from MOHSW and local technical institutions trained in NHA, PER, and/or NHA Production Tool (disaggregated by gender)	Project records	NHA – 4 PER - 4	Training of HFU staff on PER commenced: 4 training session involving the 4 HFU staff – 1(M), 3(F)	PER data analysis training complete; Training institution identified	10 participants attended PER data analysis training (6 female, 4 male); UDSM selected	8

Activity	Indicator	Data Source	Q1: October 1 – December 31, 2012		Q2: January 1 – March 31, 2013		End of Project Target
			Q1 Target	Q1 Result	Q2 Target	Q2 Result	
	1.3.2: % of relevant technical staff from MOHSW and local technical institutions that received training in NHA, PER, and/or NHA Production Tool who say they are using new skills on the job and can provide examples (disaggregated by gender)	Project records, Post training assessment	N/A	This activity will not take place until the next quarter (Q2)	NHA training provided to UDSM	Waiting approval for UDSM subcontract to initiate training	75%
1.4	1.4: NHA course content adapted to fit the TZ context and incorporated into the teaching curriculum.	Project records	N/A	RFA for an academic institution that expresses interest in incorporating NHA into their course curriculum drafted. Ready to be issued in the second quarter	University selected, and curriculum under review by SCHFT project.	Waiting approval for UDSM subcontract	Completed
Intermediate Result 2: Improved planning for financing health services							
Component 2: Assist with completion of GoT health financing strategy							
	2.1.1: MOHSW drafts HFS document that (1) outlines key system bottlenecks; (2) describes various policy options, including the benefits and risks of each; and (3) explains reasons for selecting the policy(ies)	HFS document	N/A	Activities related to the achievement of this indicator will not take place until the next quarter	Paper identified and started	MBP paper started; Project waiting for feedback on contributing to 2 additional policy options papers	Completed
2.1	2.1.2: Evidence that the MOHSW effectively utilized NHA and PER results to inform the development of health policy options, including the development of the HFS	HFS documentation	N/A	Activities related to the achievement of this indicator will not take place until the next quarter	PER results inform HFS	Matrix comparing existing health financing indicators circulated for reference to all	Evidence documented

Activity	Indicator	Data Source	Q1: October 1 – December 31, 2012		Q2: January 1 – March 31, 2013		End of Project Target
			Q1 Target	Q1 Result	Q2 Target	Q2 Result	
2.2	2.2.2 Number of Terms of Reference documents written (with MOHSW) to facilitate the development of policy option papers for the ISC	Terms of Reference documents	7	The SCHF project led 4 ToRs and supported 3. All ToRs have been submitted to the TWGHF for funding considerations	7 ToRs considered by TWGHF for funding	9 ToRs submitted and have funding identified	7
	2.2.1: Number of project-generated policy options papers presented to MOHSW for potential inclusion in HFS	Policy option documents	N/A	This activity will not take place until the next quarter	2 policy options papers underway	One policy option paper underway; waiting to hear back from ISC on additional papers	2
	2.2.3: Number of policy options papers that the project played a supportive (i.e. non-lead) role in developing	Policy option documents	N/A	This activity will not take place until the next quarter	Project support being provided to 2 policy options papers	Waiting for approval from ISC to support additional policy options papers	2
Intermediate Result 3: Sustainable capacity operations							
Component 3: Provide technical assistance to the MoHSW to evaluate/assess/model some of the agreed upon approaches to expanding pooled risk (group social health insurance) systems							
3.1	3.1 TWG on health financing completes road map for risk	Road map	N/A	This activity will not take place until	Commence the health	MOHSW expressed	Completed

Activity	Indicator	Data Source	Q1: October 1 – December 31, 2012		Q2: January 1 – March 31, 2013		End of Project Target
			Q1 Target	Q1 Result	Q2 Target	Q2 Result	
	pooling initiatives in Tanzania with project support			the next quarter	financing road map	interest in synthesizing the policy options papers rather than completing a road map	

3. REASON GOAL, OBJECTIVES AND/OR TARGETS WERE NOT MET

Activity 3.1: During the second quarter the project made great progress towards achieving its goals and objectives. However, the project, USAID and the MOHSW determined that for activity 3.1, a synthesis of the nine policy option papers was preferable to completing a health insurance specific roadmap. Given that this synthesis includes a large component on risk pooling (three of the policy options papers are related to risk pooling), the SCHFT project proposed working with key stakeholders to complete this synthesis. The project is currently waiting to hear back from the MOHSW concerning the next steps.

Activity 1.3: The project initially planned to commence work with the UDSM during this quarter. There was a slight delay in the process, and the project anticipates that this work will start next quarter.

Activity 2.2: The project is waiting to hear back from the ISC concerning the support that the project may provide to additional policy options papers.

4. LESSONS LEARNED

The process of achieving “country ownership” while working with MOHSW on the Tanzania HFS will require patience with, and flexibility to, the ministry’s changing needs. The project must be prepared to modify the workplan, even for activities that had already been agreed with the ministry. This calls for more frequent re-validating our planned activities through open conversations with both the USAID/Tanzania Mission and the MOHSW to set appropriate expectations and to determine an appropriate course of action to meet the needs of both stakeholders.

5. BEST PRACTICES/CREATIVE IMPLEMENTATION

During Health Systems 20/20, the PER analysis and report writing workshop was led primarily by the project. This year, the analysis workshop was led by stakeholders within the MOHSW, and the project played a less directive, but more of a supportive role. Each day during the analysis and report writing workshop, there was a plenary session that allowed the COP to provide input based on his previous experience with the PER. Other than this direct input, the workshop and its outputs were driven and owned by the Ministry.

6. PLANS FOR NEXT QUARTER

The SCHFT project has the following plans for Quarter Three:

Resource Tracking Institutionalization Plan (Activity 1.1): Collaborate with the HFU to develop a budget for implementing the institutionalization plan, identify sources of funding and solidify a timeframe for each of the recommended actions in the plan.

PER (Activity 1.2): Support MOHSW to lead and finalize the draft 2011 PER report.

Develop Capacity of Academic Institution to Incorporate NHA into Course Curriculum (Activity 1.4): Complete a sub-grant agreement award with UDSM. Initiate capacity building with academic staff of UDSM to incorporate NHA into their course curriculum.

Assisting the HFU to Develop Alternative Health Financing Proposals (Activity 2.2): The SCHFT project team will continue to collect data, finalize and submit the MPB options before the end of June 2012. The project team will also wait for ISC approval for SCHFT to lead two new policy option papers:

1. Financial Management Reform: this paper will analyze and assess options for improving accountability and timely availability of funds; and
2. Private Sector: this paper will review and assess a range of public-private-partnerships that can be included in the HFS.

The project's participation in these two papers is contingent upon TWGHF and ISC approval.