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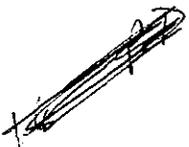
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USAID/Ethiopia

Project Overview

- a.) "Essential Services for Health in Ethiopia- (ESHE) Project in the Health Care Financing Secretariat
- b.) "ESHE Project Overview"

Increased Resources Dedicated to the Health Sector, Particularly Preventive and Primary Health Care (PPHC)

IR 1



Essential Services for  
Health in Ethiopia  
(ESHE) Project in the

HEALTH CARE FINANCING  
SECRETARIAT

ETHIOPIA

## BACKGROUND

The overall objective of IR1 is "Increased Resources Dedicated to the Health Sector, Particularly Primary and Preventive Health Care (PPHC)". This objective is meant to be achieved through:

- Increased government budgetary allocations to health care particularly PPHC;
- Increased share of public health expenditure covered through cost recovery;
- Increased government capacity at central and regional levels for resource management (limited to sectoral planning and budget development); and
- Increased private sector investment in health care delivery.

The chronic under-funding of the health sector has been one of the underlying problems limiting the expansion of health services and contributing to the deterioration in the quality and efficiency of health care delivery in Ethiopia. The country's per capita health expenditure of approximately \$1.20 is one of the lowest in the world, and is far lower than the average for sub-Saharan Africa. In addition to under-funding of the health sector, the major share of health sector resources have been allocated to hospitals (50%) compared to primary health care centers and health stations (20%). Urban areas, such as Addis Ababa received a disproportionate share of public resources.

Within the past few years, the Government of Ethiopia has tried to remedy the problems of under-funding and resource allocation within the health sector. Developments in this regard include the introduction of:

- Health Sector Development Program, and
- Health Care Financing Strategy.

The IR1 team has been invited by the Ministry of Health to establish an office within the ministry premises.

The permanent team working on the increased resources to the health sector and giving technical assistance in implementing these initiatives consists of: Jan Valdelin, PhD, Health Care Finance Advisor (IR1 Team Leader) and Netsanet Walelign, MSc, Health Care Finance Specialist.

## PRIORITY AREAS OF CONCENTRATION

User fee revision and expansion: There has been a long history of fee-for-service for health care in Ethiopia, but this system has not been revised in the past 47 years. In addition to low user charges, there has been a rising trend in the number of patients treated freely. The system of exemptions clearly needs to be reviewed and revised in order to enhance the financial sustainability of the health system.

As an input to the revision exercise a "Willingness-to-Pay for Health Care in Ethiopia" study has been started.

Health facility revenue (a major concept in the HCF Strategy): The HCF Strategy highlights the need for policy reforms such as:

- Retention of revenues generated through user fees and cost recovery in health facilities or within the health sector.
- Additionality of revenues generated through user fees and cost recovery to regional, zonal, and Woreda health budgets.

These reforms are recently being implemented in one region and a couple of regions will shortly start. Nation wide implementation of these reforms requires a high-level policy decision in relation to the existing financial regulation.

Promotion of private sector participation: As a result of economic reforms, the involvement of the private sector and NGOs is gaining momentum, although the relationship between the public and private sector still remains weak.

To suggest possible ways of public private collaborations in the health sector and related policy issues a "Health Sector Delineation" study has been started. Besides, with the objective of getting an image of the private sector a "Private Health Expenditure Review" study has been conducted.

Working environment for private investors depends on the different policies and implementation guidelines. Based on the assessment and discussion with different stakeholders the *Guidelines for Private Clinics and Hospitals* are in the process of revision.

Experience will be gained from other countries by proposing study tours for policy makers and stakeholders to countries with successful public/private mix in the health sector, or with workable examples of public/private contracting in and contracting out.

Developing Special Pharmacies: The HCF Strategy includes Revolving Drug Funds as a means to improve drug supply and create an additional source of revenue for health care facilities. Special Pharmacies that operate through revolving drug funds obtained from different sources are operating in an encouraging manner throughout the country. The successful SPs

that we have studied have had a strong impact on the quality of services of the facilities where they are located. Not only do they considerably change the availability of drugs from lack of drugs to a good supply of drugs including life-saving and emergency drugs. They also successfully compete with the private pharmacies, putting pressure on the private pharmacies to lower their prices, which is a consumer benefit reaching outside of the group of clients of the SP. With the improved benefits for the staff of the pharmacy, often on a rotating basis within the facility, the service of the SP is also creating customer satisfaction.

The on-going work by the Health Care Financing Secretariat in the field of revolving drug funds has pointed to on-going initiatives and progress at regional level in the establishment and piloting of Special Pharmacies (liyu pharmacies). Its plan is thus to propose a national guideline based on the region's experience in the area and expand the present schemes at large-scale throughout the country. The Health Care Financing Secretariat for the implementation at different levels will establish a monitoring and evaluation mechanism.

Capacity building: Recent and ongoing government reforms, such as the decentralization of planning and budgeting, have created a demand for capacity building. Improved health care financing capacity at these levels has the potential to greatly increase the utilization of health resources and thus expand the delivery of PPHC services.

A major theme of the ESHE program is capacity building. The IRI team is responsible for capacity building for resource management, financial management, and sectoral planning budget development. The primary targets groups are the Ministry of Health and the RHB of SNNPR. Technical assistance will be provided in the areas of cost recovery and private sector investment.

A series of in-country trainings, workshops and seminars together with the short term off-shore trainings and study tours are targeted towards enhancing the existing capacity at MOH and RHBs.

Developing Social and Private Health Insurance: Compared to the experience of user fees and revolving drug funds, the country has few lessons learned about health insurance. Given the limited access to health services and the income of the majority of the people, health insurance must be seen as a long term and finely targeted undertaking.

The first steps will therefore be the launch of various forms of advocacy for health insurance (private to start with): series of workshops and seminars, off shore study tours for stakeholders and policy makers, training and finally information materials on health insurance.

During the course of the advocacy work and with the help of the study tours and training efforts, benefiting from the exchange with a large number of stakeholders, potential target groups for the first pilot tests of health insurance could be identified. This identification should probably start with the formal sector, but in the end also include the traditional sectors (cash crop areas).



## Essential Services for Health in Ethiopia (ESHE) Project

USAID supports the health sector in Ethiopia through the *Essential Services for Health Program (ESHE)* that includes bilateral and non-bilateral assistance.

Based on the assistance strategy agreed upon in 1993 and 1994, FDRE began planning with USAID an assistance package to support Ethiopia's health sector and to improve the health of Ethiopia's people. In line with government health and population policies emphasized the importance of primary care and family planning, USAID developed *Essential Services for Health in Ethiopia (ESHE)*, an ambitious 7-year program. The goal of ESHE is to reduce population growth, improve child survival, and reduce STD/HIV/AIDS transmission in Ethiopia. The ESHE program's activities also address critical components of Ethiopia's new Health Sector Development Program (HSDP).

The strategic objective is to achieve increased use of primary and preventive health care services, a critical means for improving health in the country. The strategic objective is to be reached through four inter-related intermediate results (IRs):

- IR 1: Increased resources dedicated to the health sector, particularly to primary and preventive health care;
- IR 2: Increased access to and demand for modern contraceptives in focus areas;
- IR 3: Enhanced capacity of Ethiopian society to expand access to and use of STI/HIV/AIDS services in response to the epidemic; and,
- IR 4: Increased use of primary and preventive health care services in the Southern Nations, Nationalities and Peoples Region (SNNPR)

The ESHE Project is one component of the overall ESHE Program, which extends until 2002.

The project is the technical assistance centerpiece of USAID's health sector support to the Government of Ethiopia. USAID also provides direct assistance through grants to the MOH at the federal and regional level. USAID also support a variety of NGO efforts, child survival and monetization grants, the Commercial Marketing Services (social marketing) project, and specialized activities in research, environmental health, HIV/AIDS and health communication.

### *John Snow Incorporated (JSI)*

To accomplish the work under the ESHE Project, USAID has contracted John Snow Inc. (JSI), the contract commencing in September 1999.

JSI and its non-profit affiliate, the JSI Research and Training Institute, are Boston-based consulting firms with some 450 employees dedicated to providing quality technical and managerial assistance to public health and environmental health programs throughout the world. Since its establishment in 1978, JSI has become a recognized leader in the implementation of innovative improvements in public health, maternal health, child health, family planning, reproductive health, nutrition, HIV/AIDS, environmental health and sanitation, health policy development, and organizational development. JSI's mission is to work with clients to improve the quality of their operations. JSI is committed to applying its skills and experience to solving client problems in a responsive manner.

As the primary ESHE contractor, JSI acts, on behalf of USAID, as the coordinator for all USAID Cooperating Agencies working under the ESHE Program umbrella. USAID has defined JSI's coordination role as convening quarterly CA meetings for a joint review of ESHE progress.

JSI has partnered with Abt Associates and Planning Assistance, to undertake the ESHE Project.

### *Abt Associates*

Abt Associates, Inc. (Abt), based in Massachusetts with offices worldwide, provides applied research and consulting services to governments and businesses locally and internationally, contributing to long-term sustainability of health programs across the globe. It spans four broad lines of endeavor: Social and Economic Policy Research Analysis; International Technical Assistance and Policy Implementation; Business Consulting and Strategic Planning; and Abt Associates Clinical Trials. Abt's International Health staff includes experts in health financing and economics, health policy, epidemiology, health planning, service delivery, health facilities management, reproductive health, project design and information systems, and monitoring and evaluation.

**Planning Assistance**

Planning Assistance (PA) is dedicated to the goals of economic and social progress in the developing world. PA has worked almost 25 years to enhance the long-term sustainability of program interventions through participatory planning and the management of scarce resources. Support for increasing the effectiveness of planning and management is focused in four program areas: health, population, food security/nutrition, and institutional development/capacity building. Planning Assistance has worked in more than 20 countries, including Ethiopia.

Planning Assistance provides concentrated technical assistance to improve health sector planning and management by:

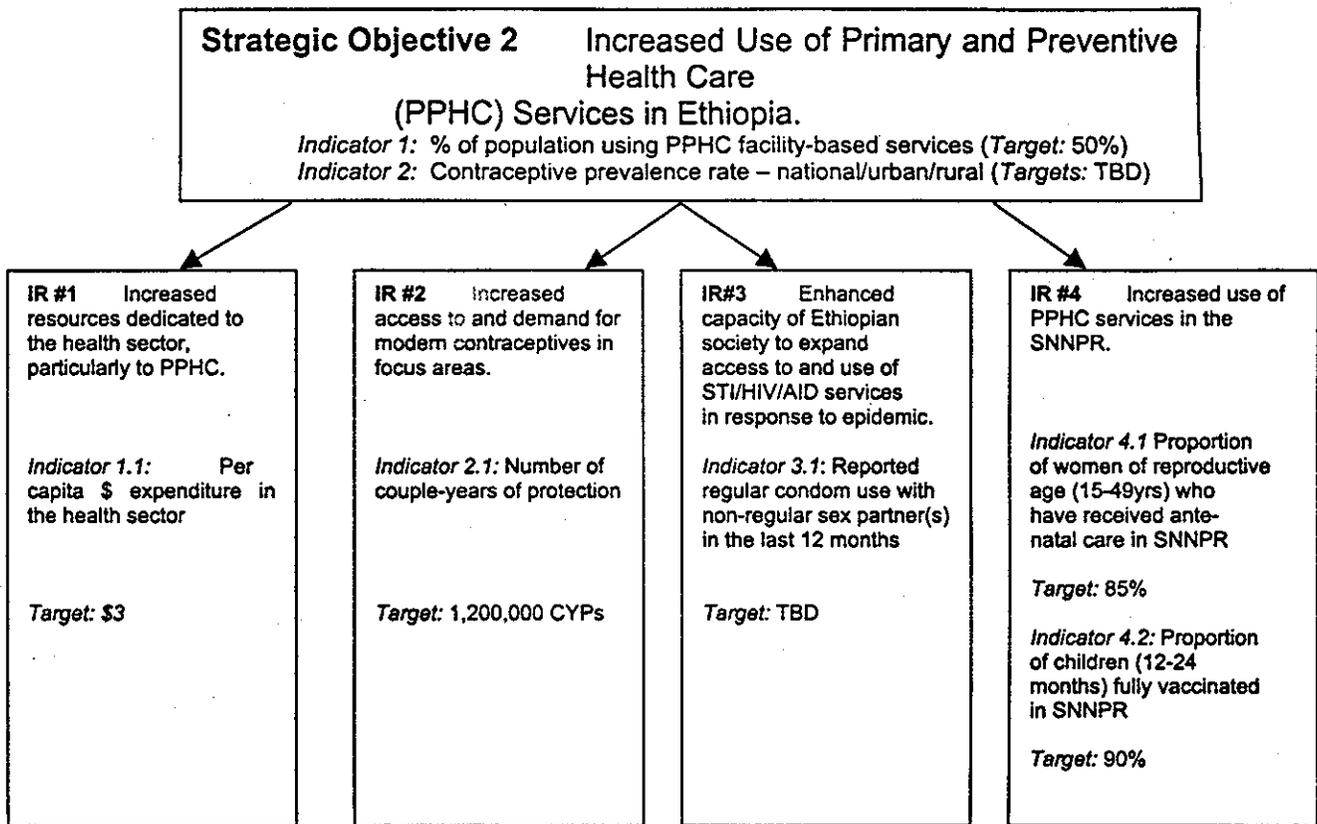
- Translating health policies into implementable program strategies and budgeted activities;

- Coordinating financial and other resources available/required for continued sector development; and
- Promoting institutional arrangements for efficient, sustainable, and measurable results.

The ESHE Project has three offices, Addis Ababa on Bole Medhanialem Road, MOH with the HCF secretariat under Health Service and Training Department (HSTD), and in Awassa at the newly constructed RHB. We also have sub-offices in three zonal health department, North Omo, Hadaiya and KAT.

The Project has a total number of 22 staff in its project offices - including eight Technical Advisors and fourteen administrative staff.

**USAID'S STRATEGIC FRAMEWORK IN ETHIOPIA**



### **The ESHE Project role in Strategic Objective 2**

All ESHE project supported activities are designed to contribute to the achievement of the USAID SO2 indicators. The project technical assistance, training and procurement all contribute directly to the SO2 indicator of "increasing the percentage of population using PPHC facility-based services." The ESHE Project's support for reproductive health training and logistics system improvements in the SNNPR contribute directly to "increasing the contraceptive prevalence rate" in that region of Ethiopia.

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### **The ESHE Project's role in Intermediate Result 1**

The overall objective of IR1 in the MOH is "Increased resources dedicated to the health sector, particularly primary and preventive health care (PPHC)". The project goals are:

- Increased government budgetary allocations to health care particularly PPHC;
- Increased share of public health expenditure covered through cost recovery;
- Increased government capacity at central and regional levels for resource management (limited to sectoral planning and budget development); and
- Increased private sector investment in health care delivery.

#### **Priority areas of concentration:**

**User fee revision and expansion:** There has been a long history of fee-for-service for health care in Ethiopia, but this system has not been revised in the past 47 years. As an input to the revision exercise a "Willingness-to-Pay for Health Care in Ethiopia" study has been started.

**Health facility revenue:** The HCF Strategy highlights the need for policy reforms, such as:

- Retention of revenues generated through user fees and cost recovery in health facilities or within the health sector.
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**Promotion of private sector participation:** As a result of economic reforms, the involvement of the private sector and NGOs is gaining momentum, although the relationship between the public and private sector still remains weak.

To suggest possible ways of public private collaborations in the health sector and related policy issues a "Health Sector Delineation" study has been started. Besides, with the objective of getting an image of the private sector a "Private Health Expenditure Review" study has been conducted.

**Developing Special Pharmacies:** The HCF Strategy includes Revolving Drug Funds as a means to improve drug supply and create an additional source of revenue for health care facilities. Special Pharmacies that operate through a revolving drug funds obtained from different sources are operating in an encouraging manner through out the country.

The on-going work by the Health Care Financing Secretariat in the field of revolving drug funds has pointed to on-going initiatives and progress at regional level in the establishment and piloting of Special Pharmacies (Iiyu pharmacies).

**Capacity building:** A major theme of the ESHE Program is capacity building. The IR1 team is responsible for capacity building for resource management, financial management, sectoral planning budget development. The primary targets groups are the Ministry of Health and the RHB of SNNPR. Technical assistance will be provided in the areas of cost recovery and private sector investment.

**Developing Social and Private Health Insurance:** The country has few lessons learned about health insurance. Given the limited access to health services and the income of the majority of the people, health insurance must be seen as a long term and finely targeted undertaking.

The first steps will therefore be the launch of various forms of advocacy for health insurance (private to start with): series of workshops and seminars, off shore study tours for stakeholders and policy makers, training and finally information materials on health insurance.

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### **The ESHE Project role in Intermediate Result 2**

The ESHE Project plays a minor role in IR 2 complementing the activities of other collaborating agencies including Pathfinder International, DKT and Johns Hopkins University. The ESHE Project supports training for national and SNNPR staff in reproductive health care management and procures limited equipment/supplies to support MOH reproductive health activities. Integrated training for health workers and logistics system improvements under IR 4 (SNNPR) will contribute directly to the number of CYPs.

### **The ESHE Project role in Intermediate Result 3**

The ESHE Project also plays a minor role in IR 3 complementing the activities of other collaborating agencies including Pathfinder International, DKT and the Policy Project. ESHE project supports a limited amount of training (off-shore and in-country) in the planning and management of quality STI/HIV/AIDS services by MOH; ESHE project also pays for the printing of national HIV/AIDS guidelines.

### **The ESHE Project role in Intermediate Result 4**

The objective of the ESHE Project in SNNPR is Improved Delivery of Primary and Preventive Health Care Services in the SNNPR. The Project goals are:

- ◆ Improved Health Planning and Management;
- ◆ Increased Regional Training Capacity;
- ◆ Increased Resources and Utilization;
- ◆ Improved Ability of Primary and Preventive Health Services
- ◆ Logistics Improvement;
- ◆ Community Health Services

### **Strategies**

- ◆ Develop a close working relationship with RHB, Zones and Woredas
- ◆ Assign a JSI staff person to each target zone
- ◆ Build upon existing program initiatives of BASICS, Regional Health Bureau and others
- ◆ Adapt programs to meet Regional, Zonal and Woreda needs
- ◆ Integrate project activities within RHB and Zone-Health Sector Development Plan (HSDP)

### **Where...?**

Emphasis is be placed on maintaining a close working relationship with the Regional Health Bureau and Zones under it. The project will initially implement activities in KAT, North Omo, Hadiya and Sidama zones with the possibility of expansion to the rest of the zones later in the project.

### **HMIS**

The Project aims at playing a major role in assisting the SNNPR establish a Health Management Information System whereby inventory of equipment, health facility profiles, health statistics and personnel information are maintained and updated. This also includes Health Mapping for improved management and planning.

### **Training**

A wide variety of training programs will be sponsored through ESHE Project. They include:

- ◆ Drug and logistics management training
- ◆ HMIS training

- ◆ Integrated refresher training
- ◆ Financial and management training
- ◆ Computer training
- ◆ Operational research training
- ◆ Peer reviews and study tours
- ◆ Off-shore training opportunities

### **Regional Support**

ESHE Project assistance to RHB can be summed up as support in:

- ◆ Regional computer laboratory
- ◆ Computerization of HMIS
- ◆ Planning, management and HSDP support
- ◆ Strengthening supervision
- ◆ Training coordination
- ◆ Logistics management and drug control system
- ◆ Human resource development initiatives

### **Zone Support**

ESHE project assistance to Zone can be summed up as support in:

- ◆ Zone based operational research
- ◆ Training support
- ◆ HMIS support
- ◆ Strengthening field supervision
- ◆ Health care financing
- ◆ Financial management

### **Our Contact Address**

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