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Local Health System Sustainability Project

ANNUAL PROGRESS REPORT



VIETNAM ACTIVITY

Task Order 1, USAID Integrated Health Systems IDIQ
August 10, 2020 – September 30, 2020

Local Health System Sustainability Project

The Local Health System Sustainability Project (LHSS) under the USAID Integrated Health Systems IDIQ helps low- and middle-income countries transition to sustainable, self-financed health systems as a means to support universal health coverage. The project works with partner countries and local stakeholders to reduce financial barriers to care and treatment, ensure equitable access to essential health services for all people, and improve the quality of health services. Led by Abt Associates, the five-year, \$209 million project will build local capacity to sustain strong health system performance, supporting countries on their journey to self-reliance and prosperity.

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ACRONYMS

AMELP	Activity Monitoring Evaluation and Learning Plan
ARV	Antiretroviral
CDCS	Country Development Cooperation Strategy
COP	Chief of Party
COR	Contracting Officer's Representative
DCOP	Deputy Chief of Party
GDP	Gross Domestic Product
DO	Development Objective
GESI	Gender Equality and Social Inclusion
GHSC-PSM	Global Health Supply Chain-Procurement and Supply Management
GVN	Government of Vietnam
LHSS	Local Health System Sustainability Project
MOH	Ministry of Health
PEPFAR	President's Emergency Plan for AIDS Relief
R4D	Results for Development
SFA	Sustainable Financing for HIV
SHI	Social Health Insurance
SO	Sub-objective
TB	Tuberculosis
TRG	Training Resource Group
VSS	Vietnam Social Security



1. INTRODUCTION

1.1 THE LOCAL HEALTH SYSTEM SUSTAINABILITY PROJECT IN VIETNAM

The Local Health System Sustainability Project (LHSS) is USAID's flagship initiative for integrated health systems strengthening. Its goal is to help low- and middle-income countries transition to sustainable, self-financed health systems as a means to support universal health coverage. Through the LHSS Vietnam Activity, USAID is strengthening the Government of Vietnam's (GVN's) capacity to sustainably manage holistic HIV and tuberculosis (TB) programs that will drive achievement of the country's commitment to end HIV and TB by 2030. The activity is also furthering the country's progress towards self-reliance by working with the GVN to increase domestic financing for health, and strengthen the sustainability of domestic financing mechanisms for greater financial, administrative, and technical ownership of its HIV and TB response.

1.1.1 CONTEXT AND OBJECTIVES

As a middle-income country, Vietnam's total spending on health has risen substantially along with its gross domestic product (GDP). The rise is due both to an increased health budget and increased spending through the Social Health Insurance (SHI) fund. However, spending on health in 2016 represented 5.9 percent of GDP, which is far from the GVN's goal of 10 percent. Despite increases in the health budget and in financial protection for households, out-of-pocket spending as a total of health spending remained high at 45 percent in 2016. External funding for health is only five percent, but is used disproportionately in certain health areas, such as HIV and TB.

The GVN aims to end TB and HIV by 2030. To achieve this goal, the GVN has increased its overall budget for HIV prevention and control in recent years to cover essential medications such as antiretrovirals (ARVs). In 2014, when the USAID-funded Health Finance and Governance project began working in Vietnam, the country's HIV response depended overwhelmingly (>70%) on international donor funding, primarily the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund. However, with Vietnam's graduation to middle-income status, donors began to reduce their support.

The LHSS Vietnam Activity Year 1 work plan began on August 10, 2020. LHSS will support the GVN by providing technical assistance in public financial management, suggesting alternative domestic financing schemes, and enabling a policy environment that improves resource allocation for the national HIV and TB programs. To strengthen the provision of services financed by the SHI fund, LHSS will increase in-country capacity to self-finance TB and HIV programs through the generation and use of financial data for HIV domestic resource allocation, and by strengthening public financial management systems for health. An emphasis on instituting sustainable change through capacity building and empowering local actors to take ownership of change is woven throughout the activity's interventions.



1. Introduction

Specific objectives are to:

1. Support the GVN to strengthen its public financial management systems for public sector health and find greater efficiencies in SHI.
2. Increase and improve efficiency of domestic financing of HIV prevention and treatment services – improve the allocation and efficient use of financial resources for HIV prevention and treatment services, and increase domestic financing to achieve greater access to HIV services in Vietnam.
3. Strengthen the capacity of Vietnam’s supply chain management system – work with GVN to ensure a continuous and uninterrupted supply of best-value, high-quality commodities that drive improved patient outcomes.
4. Integrate TB services into SHI – support the GVN to develop and implement a SHI integration/transition roadmap for TB services.

1.2 RESULTS FRAMEWORK

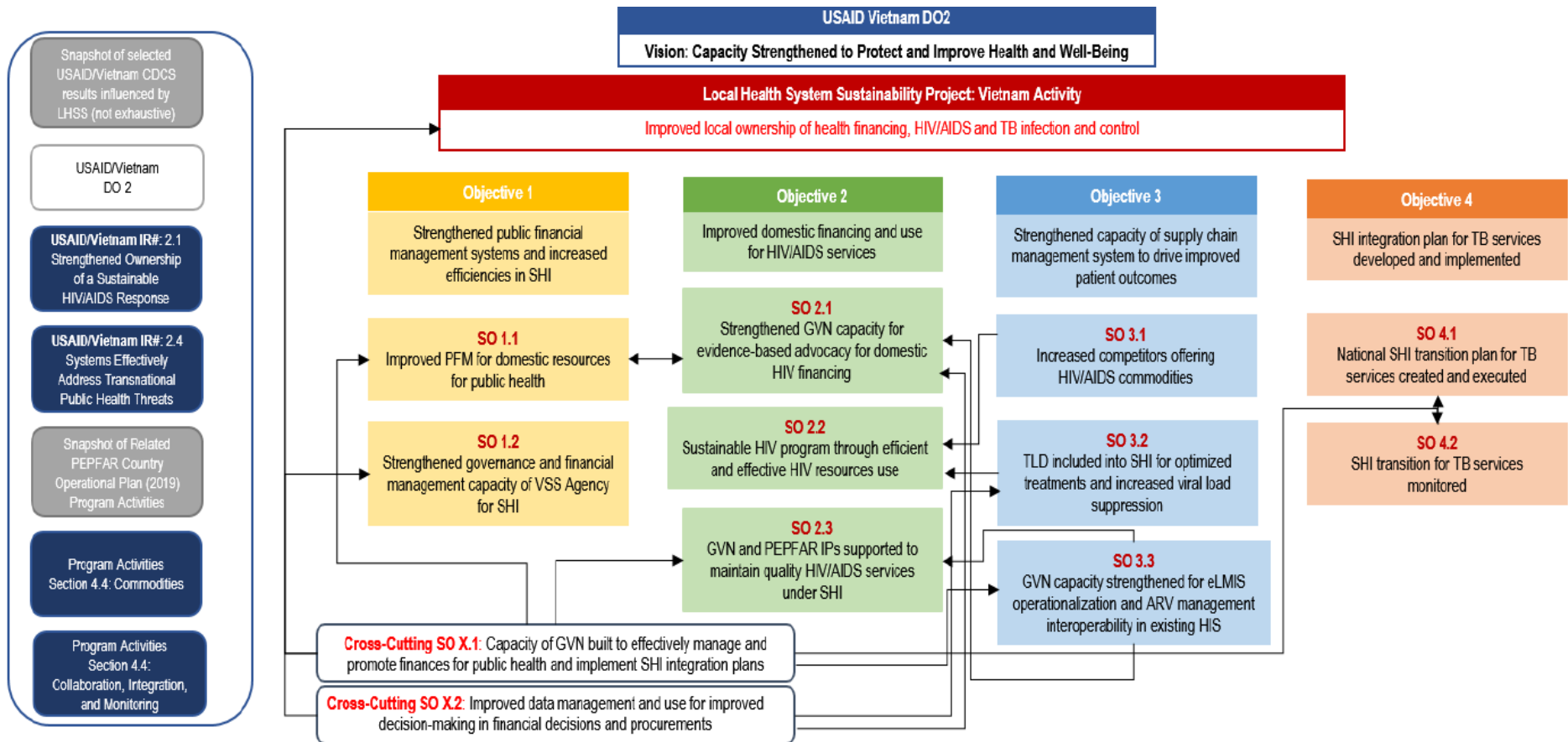
The results framework in Figure 1 demonstrates how the activity will contribute to USAID Vietnam’s development objectives (DOs) as described in the 2014–2019 Country Development Cooperation Strategy (CDCS). This framework is used to track results and depict causal pathways – from activity outputs – to sub-objectives (SOs) to desired outcomes and ultimate impact.

The results framework also links to the overall LHSS Task Order results framework, particularly Objectives 1, 2, and 3, specifically:

- SO 1.1: Increased availability of revenue for health.
- SO 1.3: Improved resource allocation.
- SO 2.1: Health services are accessible and provided equitably to all.
- SO 3.2: Essential service packages are well-defined and responsive to the needs of all.
- Cross-cutting SO X.1: Strengthened capacity of public, private, and civil society institutions to effectively plan, manage, and oversee health system functions.

1. Introduction

Figure I: LHSS Vietnam Activity I Results Framework



LOCAL HEALTH SYSTEM SUSTAINABILITY PROJECT VIETNAM IMPLEMENTATION APPROACH

Our intervention by design intended to influence multiple results holistically. A detailed description of the casual pathway from interventions to intended results (objectives and SOs) is described in the Theory of Change.

<p>Objective 1 Interventions: Support the GVN to strengthen their PFM systems for public health and find greater efficiencies in SHI Interventions 1.1, 1.2</p>	<p>Objective 2 Interventions: Support GVN to strengthen domestic financing for HIV prevention and treatment services Interventions 2.1, 2.2, 2.3</p>	<p>Objective 3 Interventions: Support GVN to ensure a continuous, uninterrupted supply of commodities that improve patient outcomes Interventions 3.1, 3.2, 3.3</p>	<p>Objective 4 Interventions: Support the GVN to integrate TB services into SHI Intervention 4.1</p>
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Co-assess, Co-create, Co-Implement, Build Capacity, Learn, Adapt

LHSS Vietnam Activity Inputs: Key Stakeholders: MOH/VAAC, VSS, MOF | Skilled and experienced staff | Local partners | Technical, management | Knowledge base | Enabling Technologies | Materials, Equipment, Resources | Strong M&E and learning

2. OVERVIEW





Status

Initiated operational start-up, coordination with key stakeholders, and strategic planning for implementation.

Problem Statement	Vietnam's ability to meet current and future health demands is at risk, particularly as development partners seek to reduce support for programs that traditionally have relied on external funding. The Government of Vietnam (GVN) has made significant achievements in increasing its own funding and management responsibility for HIV and TB responses, but in 2019, 52% of HIV funding and 62% of TB funding was donor supported. This highlights the need to mobilize domestic funding and improve government financial management systems.
Purpose	The Vietnam activity will strengthen GVN capacity to sustainably manage holistic HIV and TB programs that will drive achievement of the country's commitment to end HIV and TB by 2030.
Objectives	<ul style="list-style-type: none"> • Objective 1: Support GVN to strengthen public financial management systems for public health and achieve greater efficiencies in Social Health Insurance (SHI). • Objective 2: Support GVN to sustainability finance HIV prevention and treatment services. • Objective 3: Strengthen the capacity of Vietnam's supply chain management system to ensure uninterrupted supply of commodities. • Objective 4: Support the GVN to integrate TB services into SHI.
Planned Year 1 Deliverables	<ul style="list-style-type: none"> • Year 1 work plan. • Draft AMELP. • LHSS Vietnam project brief. • Activity transition plans with Sustainable Financing Activity (SFA) and Global Health Supply Chain- Procurement and Supply Management (GHSC-PSM) and LHSS.
Consortium Partners	Abt, Results for Development (R4D), TRG, Banyan Global



2. Overview

Contribution to Task Order Objectives			
			
Objective 1:	Objective 2:	Objective 3:	Cross-cutting:
Increased financial protection	Increased population coverage	Increased service coverage of quality essential services	Strengthened community voice, institutional capacity, and collaboration
SO 1.1: Increased availability of revenue for health. SO 1.3: Improved resource allocation.	SO 2.1: Health services accessible and provided equitably to all.	SO 3.2: Essential service packages well-defined and responsive to the needs of all.	SO X.1: Strengthened capacity of institutions - public, private, and civil society organizations - to effectively plan and oversee health system functions.

2.1 PROJECT START-UP

2.1.1 WORK PLAN

The LHSS Vietnam Year 1 Work Plan was approved on July 28, 2020 encompassing 15 months (August 10, 2020 to September 30, 2021). Objective 1 interventions funded by USAID’s Fund for Self-Reliance began in August 2020, and PEPFAR and TB-funded interventions will begin on October 1, 2020.

Upon approval, LHSS Vietnam initiated the start-up phase, which involved operational tasks and technical interventions under Objective 1. During the period, the focus was staff recruitment, securing an office space, finalizing agreements with subcontractors, and kicking-off technical interventions (holding meetings with USAID, developing strategic plans for implementation, and liaising with USAID-funded projects ending at the end of September for the transition of activities to LHSS).

2.1.2 STRATEGIES AND PLANS

Monitoring, Evaluation, and Learning Plan:

LHSS submitted a draft Activity Monitoring, Evaluation, and Learning Plan (AMELP) to USAID on June 26, 2020, which was approved as a draft on July 28, 2020 with the work plan. LHSS will revise and resubmit the AMELP in Q1 of FY21, as outlined in the work plan.

Gender Equality and Social Inclusion Strategy:

The work plan reflects and reinforces the LHSS project Gender Equality and Social Inclusion (GESI) Strategy (2019). In line with the LHSS GESI Strategy, LHSS Vietnam will:

1. Integrate GESI into the analysis, design, implementation, monitoring, evaluation, and learning of interventions;



2. Overview

2. Promote meaningful participation by women and other socially excluded groups in health systems management, leadership, and governance; and
3. Not exacerbate the problems and barriers faced by women, underserved, and socially excluded groups in accessing and using quality health services.

2.1.3 MANAGEMENT AND STAFFING

During the first two months, emphasis was placed on administrative and operational start-up. This included establishing the lease for the project office, initiating the procurement of IT equipment and furniture to accommodate new staff, introducing new accounting software, and opening a bank account.

LHSS Vietnam worked closely with USAID to ensure a smooth technical transition from the Sustainable Financing for HIV Activity (SFA) and the USAID-funded GHSC-PSM (Global Health Supply Chain-Procurement and Supply Management) project, both of which closed on September 30, 2020. USAID facilitated a series of technical meetings between the projects in September 2020.

LHSS Vietnam prioritized recruitment of key personnel, including the chief of party, deputy chief of party/health financing lead, government and policy lead, M&E lead, and finance and administration director. Abt identified candidates for each of these positions, and all staff will be engaged by the end of October 2020, with the exception of the M&E lead who will begin mid-November.

LHSS recruited many staff from both SFA and GHSC-PSM. To assist with start-up activities and ensure a smooth transition, some of SFA's staff started to transition to LHSS at 50% capacity in September 2020, including the DCOP and governance and policy lead.

LHSS Vietnam also recruited several technical and operations positions to support senior leadership. By the end of September, 87 percent of the positions had been filled with only the supply chain lead and MEL assistant still under recruitment.

To support the Vietnam country team, the LHSS home office provides supervision, oversight, and day-to-day operational support. The home office management team includes the regional manager, country manager, technical project officer, senior project finance analyst, project operations analyst, and M&E specialist. Lastly, the team in Vietnam is also supported by the technical expertise of Abt and consortium partners Banyan Global, Results for Development (R4D), and the Training Resource Group (TRG).



3. CURRENT AND CUMULATIVE PROGRESS

3.1 DELIVERABLES

The activity was approved near the end of the fiscal year, thus all progress was related to initiating operational start-up securing staff, coordination with key stakeholders, and strategic planning for implementation. No deliverables are due in the period covered by this report.

3.1.1 LOCAL CAPACITY DEVELOPMENT AND OWNERSHIP

In September, LHSS developed the first draft of the Local Capacity and Transition Plan that will be used to guide implementation plans with counterparts.

3.2 GESI PROGRESS

LHSS partner, Banyan Global, started an analysis to identify GESI gaps, challenges, and opportunities related to LHSS objectives. Banyan will provide practical recommendations for LHSS to integrate GESI into planned activities during Q1.

3.3 WASTE, CLIMATE RISK MANAGEMENT

As part of the LHSS commitment to implementing environmentally responsible operations, LHSS in Vietnam developed an Environmental Mitigation and Monitoring Plan to ensure compliance with the Integrated Health Systems Improvement Project initial environmental examination ([GH-17-064](#)). Additionally, LHSS Vietnam developed a Waste Management Plan to guide the disposal of medical commodities generated by the project. Both plans were submitted and approved by USAID along with Year 1 work plan.

3.4 PROGRESS ON PERFORMANCE INDICATORS

The AMELP and indicators are being finalized in consultation with the USAID mission.

3.5 PROBLEMS ENCOUNTERED

Given the GVN's COVID-19 travel restrictions, the relocation of the LHSS chief of party might be delayed.

3.6 COMPLETED REPORTS AND DELIVERABLES

- Year 1 work plan and draft AMELP.
- LHSS Vietnam project brief.



3. Current and Cumulative Progress

3.7 UPCOMING EVENTS

- Launch event date TBD.

3.8 ACTIVITIES TO BE UNDERTAKEN DURING THE FOLLOWING QUARTER

Intervention 1.1: Improve public financial management to mobilize domestic resources and increase available funding for public health:

- Co-develop a joint work plan with USAID, MOF, MOH, and LHSS to establish priorities, milestones, roles and responsibilities, as well as initial research priorities.
- Conduct a funds flow analysis for general health services.

Intervention 1.2: Strengthen the governance and financial management capacity of Vietnam Social Security (VSS) to mobilize and spend funds effectively, efficiently, equitably, and with accountability.

- Support USAID to develop a memorandum of understanding between VSS and USAID. Implementation of agreed activities will start in Q1.
- Develop a joint plan with VSS to examine its institutional capacity (including purchaser and provider financial management, internal controls, functions, and SHI fund costs controls) to inform an institutional strengthening action plan.

Intervention 2.1: Strengthen GVN capacity to collect and use evidence to advocate for increased domestic financing for HIV.

- Initiate analysis to track HIV expenditures from all sources, identify funding gaps, and synthesize evidence to support the GVN to advocate for increased domestic financing for HIV (this activity will continue in Q2).

Intervention 2.2: Strengthen GVN capacity to use resources for HIV efficiently and effectively to sustain the HIV program.

- Identify sources of efficiency gains in resource collection, pooling, and purchasing arrangements for HIV services through funding flow analysis (this activity will continue in Q2).

Intervention 2.3: Support the GVN and PEPFAR implementing partners to maintain quality and effectiveness of HIV services under SHI.

- Support coordination efforts among partners contributing to an uninterrupted ARV supply.
- Provide implementation support to PEPFAR direct service delivery partners as needed.

Intervention 3.1: Provide policy level support to enable an open market for HIV commodities (domestically produced or imported) for various procurement options.

- Determine barriers and incentives for local private sector production or procurement of ARVs via a landscape analysis.
- Provide technical assistance to complete the COP20 pre-exposure prophylaxis (PrEP) procurement of 241,600 bottles of Emtricitabine/Tenofovir 200/300 mg scheduled to be delivered in-country during Q1.



3. Current and Cumulative Progress

Intervention 3.3: Support MOH/ Vietnam Administration for HIV/AIDS Control to operationalize and ensure integration of the interoperable ARV drug management components in the existing government health information system.

- Provide technical assistance to programmers and system owners to integrate and operationalize the electronic logistics management information system (eLMIS).

Intervention 4.1: Support the National TB Program (NTP) to develop and implement a national SHI transition plan for TB services.

- Provide technical support to the NTP and VSS to initiate development of a TB integration roadmap incorporating the findings from the SFA landscape analysis. LHSS will also coordinate with implementing partner FHI 360 to establish a coordination mechanism related to Objective 4.

Project management:

- Create a communications plan and relevant materials for LHSS, including for success stories, videos, and other products that will help with the dissemination of the milestones achieved.
- Complete recruitment of operations and technical staff.
- Develop a scope of work to solicit proposals from one or more local organizations (academic or other) to contribute to meeting the objectives, specifically Objectives 1 and 2.
- Organize a half-day GESI training for LHSS staff and deliver it in Q1.
- Revise the AMELP and submit to USAID for review and approval.
- Organize and execute the LHSS Vietnam Project Launch in coordination with USAID.
- Hold introductory meetings between GVN and the incoming chief of party.