**CLARIFICATIONS REPORT: CLARIFICATIONS REQUESTED BY THE GAVI INTERNAL REVIEW COMMITTE[[1]](#footnote-1) TO THE GAVI-HSS PROPOSAL**

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| --- | --- |
| **Lao PDR** | |
| Proposal duration | July 2012 – December 2015 (3 ½ years) |
| Budget required | US$ 2,100,218 |
| cMYP duration | 2012-2015 |
| National health strategy document included | Yes |
| National Health Plan duration | 2011-2015 |
| Population (year) | 6,436,000 |
| IMR | 108/1000 |
| DTP3 coverage (country/UNICEF) | 74%/74%, |

1. *Background of GAVI HSS support*

Lao was approved for HSS support on July 2010. The 2009 proposal was accepted, but was not implemented until November 2011 because of the delays on the GAVI side between conducting and finalizing the Financial Management Assessment and releasing the funds (almost one year) and due to internal issues in the Ministry of Health. The end of the grant period will be July 2012.The advantage of this new application is that Laos has a signed Aide Memoire and if approved, there should be no delays in implementation and roll out. The new application proposes to build on the on-going HSS grant through 3 Districts in Oudomsay and 2 Districts in Vientiane, the Capital of Lao PDR”. Funding is requested to implement and strengthen the “Strategy and Planning Framework for the Integrated Package of Maternal Neonatal and Child Health Services 2009-2015", taking the EPI as the nucleus of the intervention.

1. *Internal Review Committee Recommendations*

In February 2012 the GAVI Internal Review Committee requested the following clarifications to be provided for proposal approval. The deadline is fixed for the 12th of April 2012.

1. Provide details of how the private sector and civil society will be actively engaged and become partners at the HSCC equivalent.
2. Provide detailed units for the budget to ensure that unit costs are reasonable.
3. Provide a sustainability approach for proposed activities especially retention of staff beyond 2015.
4. Send a completion report for current HSS support that is ending.
5. Adjust monitoring indicator targets to more reasonable levels.

**This report provides explanation on the requested clarifications.**

*3. Provide details of how the private sector and civil society will be actively engaged and become partners at the HSCC equivalent.*

**Lao PDR Civil Society and Private Sector background**

With a single-party government and state-run media, civil society in Laos is one of the most limited in the world. Since the founding of the Lao PDR in 1975, the state has disseminated information and policies, delivered basic social services, and consulted the public through state-funded mass organizations which are part of the communist party structure (such as the Lao Women’s Union, Lao Revolutionary Youth Union, and the Lao Front for National Construction). With hundreds of thousands of members, well-organized communication and outreach structures, high levels of respect, and a presence throughout the country in even the most remote villages, these mass organizations have dominated the space that civil society organizations traditionally occupy in other countries and political contexts.

Though little known or utilized, under *Article 44 of the Lao Constitution*, civil society groups in the official form of “associations” are legally permitted in Laos. The constitution states*, “Lao citizens have the right and freedom of speech, press and assembly, and have the right to set up associations and to stage demonstrations which are not contrary to the laws.”* Because of the decentralized registration process, the exact number of Lao associations is difficult to pinpoint. Some speculate that between 80 and 200 exist throughout the country; others say it is less than half that. As for capacity, some assessments indicate there are only about 15 to 20 associations capable of operating with any impact, whether they are school-parent associations or farmers associations. Most Lao citizens are unaware that such associations exist at all, much less what role they can or do play.

Laos remains one of the lowest ranked countries in Asia for almost all indicators of human development, including living a long and healthy life, having access to health services and education, and access to purified drinking water. But the economy is steadily growing and Laos is gradually becoming more integrated into the international community. As such, it is under increasing pressure from within its own government, and from beyond its borders, to do more to address the needs of the poor. Even with positive growth, however, the country suffers from a low level of human resources, a miniscule tax base, inadequate infrastructure, and a rugged terrain making it time-consuming and difficult to reach remote villages which are often most in need of services.

With the exception of the two or three biggest cities, most airports do not have daily flight service, and the majority of roads is unpaved (and tends to wash out during rainy season). Many villages throughout the country do not have access to roads at all and can only be reached by small boats or on footpaths, sometimes requiring journeys of two days to the nearest town. Under these circumstances, any intervention as from providing immunizations to basic literacy campaigns is even more daunting.

There appears to be a growing realization within the government that it simply cannot address the nation’s development challenges on its own. The National Socio-Economic Development Plan that the government set forth for 2006-2010 expresses commitment to “provide basic social and essential economic services, and ensure security and facilitate the participation and empowerment of the poor in economic, social, political and other arenas to reduce poverty on a sustainable basis.” By some estimates, the government has recognized the positive role local associations can play in national development and how that can enhance its own poverty reduction activities.

Despite the fact that civil society associations are technically legal in Laos, until 2010, bureaucracy made forming them difficult, and in some cases prohibitive. There were no standard procedures for their establishment, roles and functions, and no clear oversight by a single designated government agency. To establish an association, official approval from an appropriate ministry or mass organization was required. The decision of which ministry to approach would likely be based on personal relations or recommendations. The process itself varied over time and across offices.

In recent years, the Lao Government has taken steps to reduce these ambiguities and obstacles. The progress toward creating an improved legal mandate began with the *drafting of a Decree on Associations in 2006, and continues with the ongoing drafting of a Decree on Foundations and legislation concerning the development and oversight of business associations.* To increase the number of associations, streamline the registration process, and improve oversight, *the Prime Minister’s Office approved the Decree on Associations in April 2009.* The decree, which took effect in November 2009, defines an “association” as being a “non-profit civil organization set up on a voluntary basis and operating on a permanent basis to protect the rights and legitimate interest of the association, its members or communities.” The types of associations listed include: economic associations; professional, technical and creative associations; social welfare associations; and others. The decree is groundbreaking in its attempt to systematize and codify the registration process for civil society associations and consolidate their oversight under one government body*, the Civil Society Division within the Public Administration Development Department,* *Public Administration and Civil Service Authority (PACSA).* Lao citizens wishing to form an association now have a clear point of contact and procedures to follow.

Prior to the decree, only 220 known indigenous groups existed (compared to more than 12,000 in neighboring Vietnam and millions in China) − a fractured assortment of groups with varying degrees of competence, organization and legitimacy in the eyes of the government. Absent clear laws, most functions otherwise performed by civil society in free societies were assumed by semi-official ‘mass organizations’ such as the Lao Women’s Union, Lao Youth Organization or Lao Trade Union. The issuance of the decree appears to represent the government’s recognition that, over time, civil society has the potential to play an important role in national development, particularly in more remote and ethnically diverse areas where government officials cannot easily operate.

These developments present an important segue into a wider discussion on the significance of civil society in closed societies. Without competitive multi-party elections, civil society often represents the only opportunity citizens have to participate in public life. In this context, civic organizations perform a function greater than their traditional societal role as service providers. They enable factions of people to advocate to their government, using the power of association and networks to petition the government for resources and rights. In other words, a vibrant civil society can have a representative function to channel the needs of the population to influence public policy.

Questions linger about the Lao government’s capacity to implement the decree fairly and effectively. *More than a year after the decree went into effect; unofficial sources suggest that only one national and one provincial civil society organization have successfully registered despite dozens of applications*. Nevertheless, there are signs the government is taking civil society seriously. In November, the Lao National Science Council convened representatives from 100 (previously registered) civil society groups to participate in a workshop on how they can better contribute to development

Even beyond the critical objective of poverty alleviation, a vibrant civil society holds potential to have a significant impact in contributing to good governance. In the highly centralized Lao government system, a skilled, articulate, and respected civil society sector could provide an unprecedented avenue for citizens to communicate with policy makers and impact laws and regulations. The process will take time, but as the first organizations are now registering to become legal associations under the new decree, the next year could mark the start of a real Lao civil society sector[[2]](#footnote-2).

**Lao PDR Civil Society and Private Sector at present in the Health Sector**

With the above overview in mind it’s easy to understand how the Civil Society and the Private Sector in Lao PDR are in an embryonic phase. Nevertheless they are developing faster and improvements in strengthening these sectors – as well as to make them more participative and involved - have been recently made. At present the CCM already include, as his own memberships the following constituencies representing directly or indirectly the Civil Society and the Private Sector: (i)Lao Buddhist Fellowship Organization; (ii) Lao Red Cross; (iii) Ministry of Energy and Mines; (iv) Organization of people Living with HIV/AIDS; (v) The Lao Women’s Union; (vi) The Lao National Chamber of Commerce and Industry; (vii) Lao Front for National Construction; (viii) Lao People’s Revolutionary Youth Union.

However one of the main indentified constraints of the CSOs is that they do not have a proper financial budget in order to implement their own activities and therefore their independence and field of action remain limited. However ***the private sector is growing rapidly***: many of the multinational companies that work in the field of natural resources and related income generating activities such as hydropower, mining and plantation have they own social sector projects. They are already actively supporting the GoL with - a fix amount of their revenue – in Primary Health Care activities (e.g. MNCH). Additionally the GoL is presently working on improve the legislations for the formation of SCOs; there is hope that SCOs will play a better and stronger role in the future.

*4. Provide detailed units for the budget to ensure that unit costs are reasonable.*

The table below provide a summary of the readjusted budget. It provides and compares data from the December proposal and the revised one as well as explanatory notes. *Full details are in the attached Budget.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Objectives** | **Previous version December 2011** | **Revised  version March 2012** | **Notes** | **Changes in Amount** |
| **OBJECTIVE1** |  |  |  |  |
| Activity 01.01.01 | 84,353 | 27,946 | reduced transportation cost  and per diem cost based on Lao expenditure norms | 56,407 |
| Activity 01.01.02 | 83,446 | 95,810 | add the first 2 quarter of the 1st year | -12,364 |
| Activity 01.01.03 | 210,751 | 80,170 | computed before at 6 times a year revised to quarterly as per description of activity | 130,581 |
| Activity 01.02.04 | 913,222 | 803,802 | please see a very detailed explanation on assumption page | 109,420 |
| Activity 01.02.05 | 51,143 | 50,996 | error on links on the previous version | 147 |
| **TOTAL OBECTIVE 1** | 1,327,172 | 1,058,725 |  | **268,447** |
| **OBJECTIVE2** |  |  |  |  |
| Activity 02.01.01 | 116,520 | 141,733 | reduced transportation cost and per diem cost based on Lao expenditure norms | -25,213 |
| Activity 02.01.02 | 46,834 | 46,835 | same | -1 |
| Activity 02.01.03 | 47,790 | 177,183 | I previously computed SBA training at 10 days only but as per the description of activities the whole MNCH module is for 25 days | -129,393 |
| Activity 02.01.04 | 24,466 | 25,846 | not much change | -1,380 |
| Activity 02.01.05 | 6,131 | 6,369 | not much change | -238 |
| Activity 02.02.06 | 33,081 | 97,645 | previously procurement of equipment and essential medicines was computed once for the whole 3.5 years; I separated the two and computed the procurement once in 3.5 years and essential medicines every year. Please confirm if this is correct? | -64,564 |
| Activity 02.02.07 | 294,845 | 224,394 | reduced cost as follows: renovation cost district- from 25 750 to 23 000 medical equipment district - from 3 000 to 2 300 renovation cost health centres - 4438 to 4000 medical equipment health centres - same at 1000 | 70,451 |
| Activity 02.02.08 | 152,413 | 165,914 | increased maintenance and registration cost - 10% of total amount of procurement of transportation | -13,501 |
| **TOTAL OBECTIVE 2** | 722,080 | 885,919 |  | **-163,839** |
| **OBJECTIVE3** |  |  |  |  |
| Activity 03.01.01 | 18,184 | 34,686 | computed cost for 5 days, 1 day for each district | -16,502 |
| Activity 03.01.02 | 13,479 | 36,715 | computed cost for 5 days, 1 day for each district | -23,236 |
| Activity 03.01.03 | 14,666 | 69,718 | Child Health Day is twice a year | -55,052 |
| Activity 03.01.04 | 4,637 | 15,024 | estimated budget of 10USD per year per village | -10,387 |
| **TOTAL OBECTIVE 3** | 50,966 | 156,143 |  | **-105,177** |
| **GRAND TOTAL** | **2,100,218** | **2,100,787** |  | **-569** |

*5. Provide a sustainability approach for proposed activities especially retention of staff beyond 2015.*

Several steps have been already taken in order to strengthen sustainability of the proposed GAVI-HSS activities as well of Health Staff reinforcement and retention especially in the most disadvantage and poor districts of the country. Additional information is provided through the attached Annexes which are related to those burning topics.

**Sustainability of the activities proposed in the GAVI-HSS**

Probably the most significant steps in order to enhance activities sustainability is the proposed increased budget allocated to the health sector that the GoL is ready to provide. Unofficial sources report a future increasing budget to the health sector to 9% from the actual 3%. Additionally the following actions and developments have been implemented : (i) MNCH fee exemption policy and related draft guidelines available; (ii) increased financial support to the overall MNCH package and MNCH considered as the main priority for the coming years of the MoH (MDGs 4 & 5); (iii) Non financial Incentive Package for Village Health Workers; (iv) Increased synergy with others projects as Lux Dev/Joint UN[[3]](#footnote-3) programme in the north, ADB and Save the Children; (v) JACA- Technical cooperation on “Project for Strengthening Integrated Maternal, Neonatal and Child Health Services” has been implemented under the cooperation between the Ministry of Health Of Lao P.D.R. (MOH) and the Japan International Cooperation Agency (JACA) since may 2010. It aims that coverage of the maternal, neonatal and child health care (MNCH) services are improved in the four southern provinces (Champsaka, Salavan, Sekong and Attapeu); (vi) The GoL increased quota (number) of health personnel at district and health center level. In just 2012 the GoL allocated an additional 1.141 health staff to the health center and districts. (70% to the north districts)

**Retention of Health Staff beyond 2015**

As in many developing and developed countries, the Lao People’s Democratic Republic (PDR) struggles to attract and retain sufficient numbers and types of human resources for health (HRH) to provide quality services in rural and remote areas. *Following on the governmental decree on financial incentives for rural civil servants, the Ministry of Health (MOH) drafted the Human Resources for Health Development Strategy (HDPS) through 2020* in consultation with key stakeholders to provide a framework and strategic directions to guide the development of an effective workforce that can meet the challenges facing the Lao PDR health system.

The aim of the HDPS is to ensure that the health system has health professionals in the required quantity and quality at leadership, managerial and technical levels, deployed where and when needed, and motivated to perform their functions (Lao PDR MOH 2010).

One of the key pillars of the Strategy is to ensure appropriate incentives for health workers based on the national policy and legal frameworks*. The MOH Department of Organization and Personnel (DOP)* aims to further articulate the HDPS through development of a national HRH retention strategy, which will describe the implementation of incentives and other interventions to motivate health professionals to work in rural and remote settings. The recent release by the *World Health Organization (WHO) of global policy recommendations* on rural retention provides timely guidance. These guidelines describe various strategies a country can pursue to increase access to health workers in remote and rural areas through a range of retention interventions covering four main categories: education, regulation, financial incentives, and personal and professional support mechanisms (WHO 2010). As purported by the global recommendations, due to the complex nature of the social, professional, and economic factors that influence motivation, a bundle or combination of well-selected interventions is needed to make rural postings more attractive to the country’s health workers.

Given the large menu of incentive options proposed in the WHO guidelines as well as those potential interventions described in Laos PDR policy documents, a formal planning process supported by local information on the potential impact of particular interventions is required to determine which package of strategies would be most effective in Lao PDR. One important step in selecting the most effective package of retention strategies will be most effective in the country is to estimate which strategies health workers themselves most prefer. To this end in May 2011 the MOH, in close partnership with the World Health Organization (WHO) and CapacityPlus, USAID’s global health workforce project, conducted a discrete choice experiment (DCE) among health professional students and health workers practicing in rural provinces to investigate their motivational preferences for potential strategies to increase attraction and retention in the country’s rural and remote settings. Additional information are provided in the Annexes.

*6. Send a completion report for current HSS support that is ending.*

The progress report of the current GAVI-HSS is attached.

*7. Adjust monitoring indicator targets to more reasonable levels.*

After revision the DPT3 as been reduce to 85% and the other are considered by the implementer achievable in the by 2015. In 2011 the DPT3 coverage is 78%.

All of impact and outcome indicators in the Performance Framework are selected from the national MNCH strategy M&E plan and three mandatory indicators for the GAVI HSS. Output indicators are selected according to the key interventions which are highlighted in the national MNCH strategy. National HMIS (health management information system) and national survey (Lao social indicator survey which is the combination of the Multiple Indicator Cluster Survey and Lao reproductive health survey) will be used as data collection tools and reporting systems.

The baselines and targets of the impact/outcome indicators are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **Baseline**  **Value** | **Date of**  **Baseline** | **Target** | **Date for Target** |
| Maternal mortality ratio (100,000) | 405 | 2005 | 260 | 2015 |
| Infant mortality rate (1,000) | 70 | 2005 | 45 | 2015 |
| Under five mortality rate (1,000) | 98 | 2005 | 55 | 2015 |
| Percentage of children who received DTP3 | 74% | 2010 | 85% | 2015 |
| Drop out between DTP1 and DTP3 coverage | 8% | 2010 | 7% | 2015 |
| Equity in immunization coverage | 10% | 2010 | 7% | 2015 |
| Percentage of women with at least 1 ANC consultation from skilled health personnel | 29% | 2005 | 60% | 2015 |
| Percentage of live births attended by skilled health personnel | 21% | 2005 | 50% | 2015 |

*8. Additional Information related to the provided clarifications*

**ANNEX 1: Decree on financial incentive for rural civil servant**

**ANNEX 2: Executive Summary of WHO Recommendation**

**ANNEX 3: Revised Budget GAVI-HSS**

**ANNEX 4: Health Workers Incentive, Lao PDR**

**ANNEX 5: HRH Strategy 2020**

**ANNEX 6: Joint Lux-Dev UN proposal**

**ANNEX 7: Lao report on HRH retention**

**ANNEX 8: Budget Summary**

**ANNEX9: Towards development of a rural retention strategy in the Lao People’s Democratic Republic: Understanding Health Workers Preferences**

**ANNEX 10: Progress Report of the current GAVI-HSS**

**T Towards development of a rural retention strategy in**

1. Geneva, February 13-17 2012 [↑](#footnote-ref-1)
2. ## [Civil society groups call for inclusion in planning and policy decisions](http://www.laolandissues.org/2011/11/17/civil-society-groups-call-for-inclusion-in-planning-and-policy-decisions/)

   Vientiane Times, November 17, 2011: Lao civil society organizations (CSOs) have called for more opportunities to join the government in strategic planning and policy making processes. The CSO Consultation Workshop was held on Tuesday at the Learning House for Development in Vientiane to discuss aid effectiveness. “The proposal is to allow CSOs to participate in the process of strategic planning, policy making, implementation, monitoring, and evolution together with the government,” stated an official proposal issued to the government. The workshop was a part of the CSO Consultation Workshop and Multi-Stakeholder Consultation on Aid Effectiveness held on November 15 to 16 and themed ‘Moving the Aid Effectiveness Agenda towards Development Effectiveness’. The workshop also proposed establishing equity in terms of participation by the government and CSOs. [↑](#footnote-ref-2)
3. A Joint United Nations proposal to support Ministry of Health’s Implementation of Integrated MNCH Services Package to reduce maternal, newborn and child mortality and morbidity and the high levels of malnutrition in women and children [↑](#footnote-ref-3)