



# Health Sector Policy Support Programme at Provincial level:

## The EC experience in Vietnam

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# The overall context

## 1. Government Health strategy:

- Develop the network of people's healthcare
- Health financing
- Human resources
- Leadership/guidance of all levels of party committees and authorities
- Effectiveness of State management
- Step up Socialisation
- Information, education and communication

## 2. International agenda:

- MDGs (Millennium development goals): Eradication of poverty and hunger in the world by 2020
- Aid effectiveness agenda and the Paris Declaration: Ownership, harmonisation, alignment, results and mutual accountability

## 3. EC-Vietnam Country Strategy Paper for 2007-13:

- Preference for sector programmes and budget support
- Focus on limited number of sectors

# The decision to go for a provincial approach

- The Pre-feasibility study:
  - Support to vertical programmes
  - Support to health at provincial level
- The Government's request for both approaches
- EC's preference for the provincial approach:
  - Less fragmentation than at central level (policy, institutions, donors)
  - In line with ongoing decentralisation process
  - In line with EC preference for Sector Wide Approaches
  - Key eligibility criteria (sector policy and strategy; macro-economic context; public finance management)



# Objectives and expected results

1. **Overall objective:** improve the health status of the population, especially the poor, as a contribution to poverty reduction and the attainment of health-related MDGs
2. **Purpose:** Contribute to the achievement of overall health sector reform targets of « Equity, efficiency and development » as stated in Government's Resolution
3. **Support to capacity building for:**
  1. Policy development at central level and planning/budgeting at both central and provincial levels.
  2. Public Finance management at both levels
  3. Sector coordination (via JAHR and HPG)
  4. Service delivery at provincial level
4. **Expected results** based on Government's strategy, to be finetuned in consultation with Government and the international community



## Operating modalities

- **A two-pronged approach, working in provinces while keeping the central level involved.**
- **Start with pilot provinces, then expand and replicate:**
  - 3 Pilot provinces
  - 10 Other provinces involved: Observing, twinning
- **Other interested donors:**

Luxembourg on board; ADB preparing a loan for 2009 that includes elements of support at provincial level, other interested observers? (Spain, France, Germany, Sweden, Australia)



# Financing modalities

- n Overall budget available: €64 million – EC preference for SWAP and budget support if possible
- n 4 options in order to combine capacity building and budget support:
  - 1. Project approach, with the objective to support the provincial and central levels and progressively move towards a SWAP where other donors will join after 2010
  - 2. SPSP with two separate and successive components: firstly capacity building, then budget support
  - 3. SPSP with two separate but simultaneous components (capacity building and budget support)
  - 4. SPSP with one budget support



# Risks and mitigation measures

## **Risks:**

- Health sector related
- PFM related

## **Mitigation measures:**

- Strong confidence building efforts with Government
- Strong ownership approach during identification and formulation of the programme to agree on key arrangements
- Strong willingness of provinces to participate and share information
- Clear set of indicators and targets to be agreed with Government, as triggers for payments/budget support
- MoU signed between main authorities involved (MOH, MOF, MPI, provincial PPCs)



# Seven key assessments

1. **Sector policy and strategy**
2. **Macro-economic context**
3. **Sector Budget and Mid-Term Expenditure Framework (MTEF)**
4. **Public Financial Management**
5. **Sector and donor coordination**
6. **Performance measurement**
7. **Institutional assessment and capacity development**



## Next steps

- Finalise consultations with Vietnamese authorities and interested donors to agree on preferred approach and modalities
- Submit Programme identification fiche to EC internal quality control
- Start formulation process
- Start implementation by end 2008 or 2009

Thank you for your attention!