

Question 2: *What are effective and sustainable mechanisms or processes to integrate local, community, sub-national, national, and regional voices, priorities, and contributions into health system strengthening efforts?*



# Collaborative and customized health systems strengthening initiatives to support the new federal system in Nepal

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## Context

In 2018, Nepal transitioned from a unitary system of government to a three-tiered federal system of government: federal level, seven provinces, and 753 local governments. Shifting to this system also meant restructuring how the health system was managed—especially at the local level. The responsibility of delivering basic health services to communities was transferred to local governments, along with the role of developing and strengthening local health systems. The decentralization of the health system aimed to bring decision-making closer to communities, improve access to healthcare, and address regional disparities by distributing resources according to identified needs.

This transition also brought many challenges for all three tiers of government, especially in developing effective governance structures and coordination mechanisms between the federal, provincial, and municipal levels. The division of responsibilities and decision-making within the health system required clear guidelines and implementation mechanisms, many of which needed to be developed from scratch. Inadequate health infrastructure and a shortage of skilled healthcare professionals has always been an issue in Nepal, and the distribution of resources to ensure equitable access to quality healthcare services became a significant challenge during the transition to federalism.

Distribution of resources requires adequate health financing, and the transition to federalism also posed the challenge of ensuring equitable allocation of financial resources for healthcare at all levels of government, especially at the sub-national level. Local governments were given the responsibility of conducting their respective planning and budgetary processes and promoting efficient resource utilization, which was hampered by a lack of skilled human resources. Strengthening the capacity of elected representatives, health administrators, and healthcare professionals at the provincial and local levels to effectively manage and deliver healthcare services was essential.

It was in this changing context that the United States Agency for International Development (USAID) awarded their Strengthening Systems for Better Health Activity (SSBH or the Activity) to Abt Associates in January 2018. Abt Associates partnered with Save the Children, the Karnali Academy of Health Sciences, and Management Support Services to implement the cooperative agreement to support the Government of Nepal’s efforts to improve health outcomes, particularly for the most marginalized and disadvantaged groups in 138 municipalities of Karnali and Lumbini Provinces. These two provinces are the ones with low Human Development Index (HDI) and poor health service utilization in the country. They connect from plain lands to mountainous regions with limited access to roads, communication and other basic facilities. The Activity aimed to improve health outcomes by enhancing access to and utilization equitable maternal, newborn, and child health and family planning (MNCH and FP) services, with a special focus on newborn care. The Activity also worked to enhance the quality of health services at the local level and improve health system governance within the context of federalism.

To achieve these stated outcomes, SSBH worked closely with all three tiers of government, starting with the Ministry of Health and Population (MoHP) at federal level, to develop customized technical assistance plans for interventions that addressed the challenges and met the needs of health systems in each specific municipality. These plans were updated every year to include the voices of officials, staff, municipal committee members, and the wider community. The Activity collaborated with relevant stakeholders through every step of the planning, implementation, and monitoring stages of program implementation, shared lessons learned on a routine basis, and adapted to changing contexts and priorities. SSBH activities in the field were phased out in February 2023.

## Activity Description

As SSBH strategies and interventions are closely tied to the implementation of federalism in the country, it was important to understand the capacity of local governments to deliver quality health services after the transition. SSBH worked closely with municipal governments to conduct a baseline Health Systems and Capacity Assessment (HSCA) December 2018 and June 2019, which was designed to measure both the functioning of the various elements of the health system, as well as municipal-level capacity for managing the health system. The assessment focused on specific aspects of municipal capacity grouped into eight components. They were further divided into 81 sub-components, each of which was given a score of 2 for “Completely Agree,” 1 for “Partially Agree,” or 0 for “Disagree/Don’t know/Not Applicable” based on the multidisciplinary teams’ (MDTs) consultation with the municipal authorities and observation during municipal and health facility visits.

Field-based MDTs were made up of several technical officers, each specializing in either health systems and governance, maternal and child health clinical service, or health information systems. MDTs formed the foundation of SSBH intervention and were assigned to every district, which are remnants of the previous system of government in Nepal. While not officially part of the three-tier federalist system, districts helped form the boundaries of the new seven provinces and still retain some administrative scope, albeit greatly limited than before. In Karnali Province, for example, 79 municipalities are grouped into ten districts, and each district was assigned at least one MDT by the Activity. They spent at least two-thirds of their time in the field, creating enabling conditions by building close working relationships with local governments and other municipal stakeholders which allowed for collaborative, learning, adaptive, and participatory implementation of the assessments and other interventions.

The MDTs shared the findings of the HSCA with local counterparts and used the results of the assessments, supplemented with secondary data, to develop customized technical assistance plans in collaboration with elected leaders, municipal authorities, health coordinators, health workers, local health and social development committee members, community members, and other relevant stakeholders. These plans are updated annually to reflect new evidence-based learnings on changing needs and contexts specific to each municipality.

Some of the MDTs focus on assisting local governments to endorse health acts and policies. Baseline scores in the HSCA for the legal and policy framework development component at newly formed municipal governments were among the lowest in the assessment. SSBH facilitated technical working group meetings to draft legal documents and link the concerned municipal councils with relevant sources to collaborate and ensure the language and content meets provincial and federal mandates. The Activity also participated in consultations with working groups to review legislative drafts, make amendments as suggested by municipal authorities prior to their approval, and advocate for inclusion of marginalized communities in municipal decision-making. These legal frameworks, which also include guidelines and standards based on federal mandates, outline municipal priorities and establish accountability for systems strengthening activities.

Management of health information was another one of eight components assessed. The challenges associated with this component included a lack of trained staff for data recording and reporting and delays in timely reporting of data from health facilities. The Activity enhanced the capacity of health workers in health information systems through training and onsite coaching and mentoring on the recording, reporting and visualization processes of DHIS2, the government-sanctioned web-based portal for health data recording; HMIS, the repository from which the data is accessed for use; and Logistics Management Information Systems (LMIS) to track procurement needs at health facilities. MDTs conducted periodic reviews and Routine Data Quality Assessments (RDQAs) at health facility level to assess the practices in place and the accuracy of the data. The Activity also supported municipal governments to develop policies and technical guidelines for monitoring, evaluation, and supervision to promote sustainable practices for inculcating the skills that municipal staff and health workers gained in using health information software.

The Activity also focused on knowledge and capacity building in Gender Equality and Social Inclusion (GESI), which involves addressing unequal power relations between women, men, children, sexual and gender minorities, and various other marginalized social groups. SSBH supported municipalities in exploring barriers to maternal, neonatal, and child health and family planning services by using evidence-based examples. Other existing gaps were identified by analyzing data collected from health information systems and software that health facilities and municipal authorities were trained and coached to use. SSBH also provided technical assistance to municipal executive committees, assemblies, policy makers, and health staff to enhance their understanding of the importance of health equity, and thus include GESI concepts into annual plans, health policies, health acts, and other legislative guidelines.

Finally, SSBH also worked to enhance capacities of health workers in MNCH and FP concepts. This process involved working closely with federal counterparts to plan training programs based on their standard guidelines. SSBH also incorporated input from provincial authorities after approval of the training program at federal level. Specific training programs included developing Skilled Birth Attendants, Maternal and Neonatal (MNH) updates, administering Long-acting Reversible Contraceptives (LARC), and providing family planning counseling, among others. Much like SSBH interventions in health information management, MDTs conducted onsite coaching and mentoring to help reinforce training concepts during routine visits to health facilities. Coaching and mentoring sessions were an effective method of transferring knowledge and skill to health workers in their own work settings, which may not always be possible in a group training event. While conducting these sessions, MDTs aimed to develop confidence for quality service delivery among health workers, especially those who were unable to access training before coaching and mentoring. These sessions were often livelier and more interactive than formal training events and served as a learning opportunity for MDTs as well, whose knowledge and skills were also strengthened.

## Activity Impact

To facilitate continuous learning and improvement during SSBH field activities, MDTs repeated the HSCA in 2021 and 2022. They were unable to do a full-fledged assessment in 2020 due to the COVID-19 pandemic, during which time SSBH initiated the Health Emergency Response (HER) supplemental program to support the government’s fight against the spread of the virus. SSBH aimed to strengthen the health sector response to the pandemic, reduce transmission of the virus in Karnali and Lumbini Provinces, and mitigate the effects of the pandemic on delivery of essential MNCH and FP services through HER. The Activity provided technical, operational, and material support for Nepal’s pandemic response, while building on SSBH’s established structures, working relationships, and technical approaches. Interventions were based on the nine pillars of health emergency that the federal government developed in response to the pandemic, and SSBH’s working area increased from 105 municipalities to 138 municipalities during this time. Along with clinical training specific to the pandemic response, SSBH provided customized risk communication to combat myths, misinformation, and stigma surrounding the spread of COVID-19. The Activity also helped capacity building of laboratory and hospital staff, while also providing case investigation and surveillance support among other initiatives.

The HER supplemental program lasted from July 2020 to September 2022. While this intervention took up a lot of time and effort, the Activity’s MDTs continued to work with municipal governments to address the gaps found in the HSCAs and provided customized technical assistance that reflected the latest evidence and learning. Some areas of the Activity’s impact include, but are not limited to:

### Health Governance

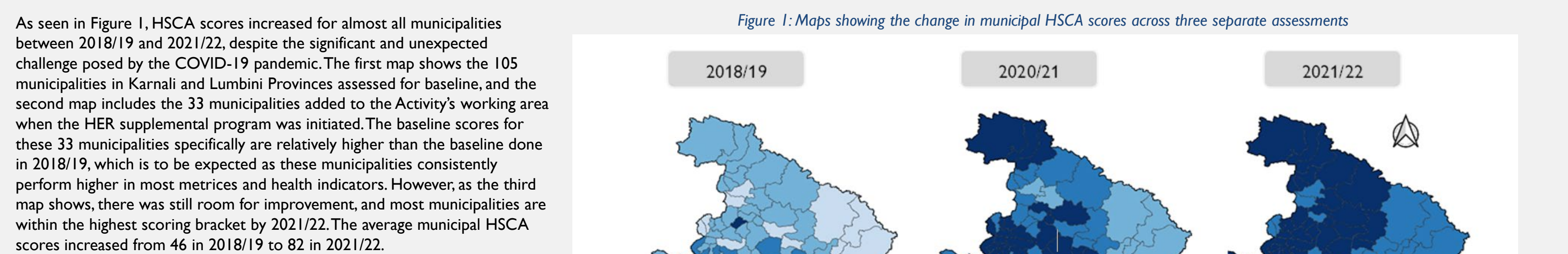
- SSBH provided technical assistance to municipal executive committees to develop health policies, acts, and guidelines to provide a clear working framework, which was often a long process at local level since federalism was such a new concept to most municipal authorities. Health acts in 94 municipalities and health policies in 120 municipalities have been implemented in Karnali and Lumbini Provinces with SSBH support as of March 2023.
- Orientations on roles and responsibilities for more than 4,000 members of 387 Health Facility Operations and Management Committees that oversee day-to-day functions and are responsible for quality assurance of health facilities.

### Health Information Systems and Data Utilization

- Over the course of the activity cycle, SSBH successfully provided health information systems training to more than 4,700 municipal staff and health workers in Karnali and Lumbini Provinces.
- SSBH conducted more than 1,100 coaching and mentoring and follow-up visits to health facilities, with an average of 280 health facilities visited every year.
- All 647 health facilities in all 138 municipalities supported by SSBH are now able to input data into DHIS2, the government-sanctioned portal for HMIS reporting.
- To promote the sustainability of best practices in data recording and reporting, SSBH worked with federal and provincial training centers to develop 67 DHIS2 coaches at municipal level.

### Knowledge and Capacity Building for MNCH and FP and GESI

- SSBH supported training for 362 nursing staff in Skilled Birth Attendance and provided MNH update training in collaboration with municipal authorities to 2,299 nursing staff.
- 591 health workers were trained in administering modern family planning methods and counseling.
- The Activity conducted 1,431 coaching and mentoring and follow-up visits to health facilities in Karnali and Lumbini Provinces.
- To promote health equity and inclusion in policy making, planning, and budgeting activities, SSBH provided GESI training to 4,770 health workers and municipal counterparts.



As shown in Figure 2 below, all eight components measured in the HSCA had improved average scores in 2021/22 when compared to the baseline. The highest improvements were observed in the components of institutional arrangements and information management and review system. In legal and policy frameworks, as well as monitoring, evaluation, and supervision, municipalities showed comparatively smaller improvements, but still exhibited progress over the three-year period, which suggests municipal governments made tangible efforts to address the gaps that SSBH helped to identify.

Figure 2: Change in average scores of HSCA components across all municipalities



Figure 3: Graph showing the increase in timely reporting into DHIS2 from health facilities

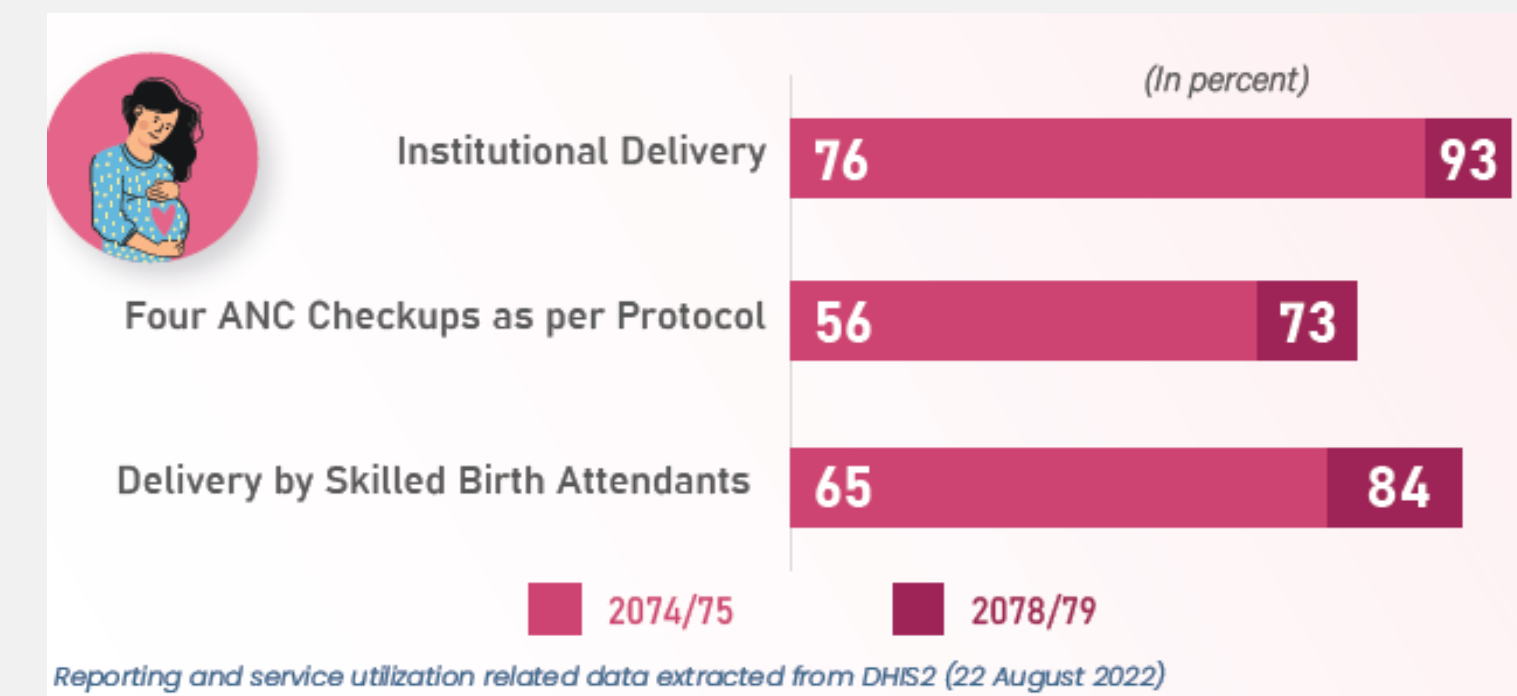


Increases in the HSCA suggests increased capacities at municipal level to govern their respective health systems and provide higher quality services to their constituents. The federal government has been highly supportive of this, as the central health budget has increased by more than 18 percent between 2019/20 and 2022/23. Municipal governments are also giving the health sector greater priority, with the average municipal budget allocating more than seven percent for health interventions.

SSBH efforts to collaborate with municipal authorities and develop evidence-based health acts, policies, and guidelines has contributed to the increased budgets over the activity cycle. The evidence comes from data collected and reported at the health facilities, and the timely reporting rate (whereby health facilities update the previous month’s data into DHIS2 by the 15<sup>th</sup> of the following month) has reached 95.8 percent as of March 2023. Timely reporting contributes to evidence-based decision-making based on accurate, up-to-date, and real-time information (Figure 3).

MNCH and FP indicators have also been on the rise in Karnali and Lumbini Provinces, as seen in Figure 4. The Activity’s clinical training and coaching and mentoring aim to reach as many health workers as possible, and SSBH efforts have contributed to institutional delivery increasing from 76 percent to 93 percent, greater adherence to antenatal checkups (ANC) by women, and a rise in deliveries by SBAs from 65 percent in 2021/2018 to 84 percent as of 2022.

Figure 4: Improvements in maternal health indicators from 2017/18 to 2021/22



## Facilitators

In developing the HSCA, SSBH reviewed the mandates given to the municipal governments by the Local Governance Operation Act of 2018, which highlighted the roles and responsibilities of local authorities in planning, budgeting, implementing, and monitoring interventions, particularly in health. The MoHP’s Health Facility Quality Improvement Modules of 2017 were also key in developing this tool, as were USAID’s Organizational Capacity Assessment Tool and Health Systems Assessment Approach, version 3.0. The MDT design that combined the multiple skill sets into one team to provide need-based support and assistance to the local government to strengthen their health system became an instrumental approach to implement the improvement areas identified by the assessment.

Local governments were largely receptive to the results of the HSCA and acknowledged areas for improvement. They were also receptive to the technical assistance provided by SSBH, despite some initial hesitance due to an incomplete understanding of what that technical assistance entailed. Collaboration was key, as illustrated by a qualitative review conducted by the Activity in 2022 to better identify and understand potential contributing factors for improvements in HSCA scores and other indicators at the local level. Most respondents, which included elected officials, administrative staff, health workers, and municipal committee members, cited collaboration and coordination between locally elected officials, health staff, SSBH, and other development partners like Save The Children and the USAID’s Suahara project as the most important reasons for these improvements.

Many respondents cited the technical assistance in developing health policies, acts and guidelines as the most significant contribution from SSBH. When the newly elected representatives had just started their terms in 2017, they faced many administrative hurdles due to the lack of municipal health policies or acts. SSBH worked with the locally elected representatives and health professionals to develop health policies and acts as mandated by the Constitution of Nepal, Local Government Operation Act, and National Health Policy of Nepal. These policies and acts have supported efficient and effective health service delivery and are tailor-made to cater to local health needs and issues.

When it comes to development initiatives, the conventional notion in Nepal has been to focus on building more infrastructure such as roads and bridges. This is understandable, as the country’s terrain contributes to the remoteness of certain areas that require better access to goods and services, especially to improve overall health outcomes. Over the course of SSBH activities in the field, local governments have started to prioritize health more than they used to, and many respondents of the qualitative review also highlighted this increased prioritization and contributing to improvements in their respective health sectors. This is further supported by increases in federal and municipal budgets for health since the first local level elections in 2017.

## Challenges

The COVID-19 pandemic was obviously an unexpected and unplanned challenge for the entire world. The challenge now is to ensure that lessons learned during that time are properly used to plan for future health emergencies. Other major challenges to health systems strengthening in Nepal are similar to those that existed when the Activity commenced activities. They include:

### Budget constraints

Under the new federal structure, local governments receive federal and provincial grants under four main headings: equalization, conditional, matching, and special grants. Intergovernmental revenue sharing is another important source of finance for local governments; however, there is usually a lack of adequate communication from federal and provincial governments when fiscal transfers are made, and there is still a lack of clarity about the basis and indicators used for fiscal transfers. As a result, fiscal transfers are usually not able to address local needs. Data related to parameters used to determine budget allocations (like population size) changes constantly and is not regularly updated. Municipalities are also expected to generate their own revenue to meet their needs, but budgets are limited, and local governments are facing the tough task of sustaining existing human resources, recruiting new, procuring equipment and medicines, and building infrastructure.

### Limited staff to perform technical tasks

In many remote health facilities, there are very few staff handling many roles and responsibilities, thereby compromising the quality of services provided. Provisioning/approval of required technical positions from the federal level is hardly in alignment with the requirements of the local level. The federal government has not adequately followed recommendations from the Organization and Management survey while provisioning the staff at local levels, limiting the coverage and quality of health services. The shortage of technically-skilled staff also affects the implementation of locally-adapted health-related acts and policies, and prioritizing health programs.

## Lessons Learned

- The use of comprehensive tools with a participatory approach has been instrumental in assessing the status of local health systems. These assessments provide an opportunity for the Activity and municipal officials to come together, reflect on the capacity of local government, and identify areas for improvement. By focusing on the core functions of the health system, such as health delivery, responsiveness, and resilience, these assessments contribute to achieving better health outcomes.
- It is important to acknowledge the dynamic nature of health systems and other structural challenges, such as staff turnover at the local level and lengthy hiring and staff adjustment processes. These factors can impact the process of obtaining responses and the accuracy of the assessment. Prior to each assessment, it is essential to orient the respondents on the purpose of the assessment, the need for transparency in accurately reflecting the prevailing scenarios, and the value of the assessment for evidence-based planning.
- Engagement of elected leaders during the planning, implementation, and monitoring stages of intervention can help develop ownership of the initiative by local government, which is vital to improve health systems.
- Local governments need more investment to make lasting changes to the health sector. They have limited budgets, human resources, capacities, and equipment. Many local government health employees feel that customized capacity building training for staff and governance-related training for local level staff can contribute to effective service delivery.
- While municipalities have made great strides in health information management, there remains need for more effective monitoring and supervision visits to not only track progress, but also provide timely feedback and observations. It will take time for these practices to become habit in health facilities and municipalities.
- Formulating health policies/acts at the municipal level requires a lot of time, specific expertise, consultations across many key stakeholders, and a committed effort to complete the process in a timely fashion.
- In addition to quantitative measures, capturing qualitative insights is crucial, as shown by the qualitative review conducted by SSBH in 2022. It provides explanations for both positive and negative changes and helps maintain the data’s quality by assessing internal consistency in the responses. This qualitative information complements the quantitative scores and enhances the overall assessment process.

