



## EN

### ANNEX 1

of the Commission Decision on the  
11<sup>th</sup> EDF Health Sector programme in Grenada

### Action Document for 11<sup>th</sup> EDF Health Sector programme in Grenada

<b>1. Title/basic act/ CRIS number</b>	11 <sup>th</sup> EDF – Sector Budget Support to the Grenada Health Sector/ CRIS number: FED/2014/037-521 financed under 11 <sup>th</sup> European Development Fund			
<b>2. Zone benefiting from the action/location</b>	Eastern Caribbean, Grenada The action shall be carried out at the following location: Grenada			
<b>3. Programming document</b>	National Indicative Programme			
<b>4. Sector of concentration/ thematic area</b>	Health/Primary Health Care			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 3 800 000 (76% of NIP) of which: EUR 3 420 000 for Sector Reform Contract EUR 380 000 for Complementary Support			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Budget Support: Sector Reform Contract; Technical Assistance & Equipment and Supplies			
<b>7. DAC code(s)</b>	12191 Health			
<b>8. Main Delivery Channel</b>	NA			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not</b>	<b>Significant</b>	<b>Main objective</b>

		targeted	t objective	
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagships</b>	Human Development			

**SUMMARY**

The overall objective of the 11<sup>th</sup> EDF Health Sector Reform Contract in Grenada is to support the development of a National Primary Health Care program in Grenada with emphasis on preventative population health utilizing a multifaceted approach, especially for the reduction of chronic non-communicable diseases.

Grenada is a middle-income tri-island state located in the Eastern Caribbean with a total land area of 133 sq. miles and an estimated population of 110,000 people. The population is young, with about 40% under the age of 25 years. Although Grenada ranks high in the United Nations Human Development Index (HDI), 79 out of a total of 187 countries, socio-economic development challenges persist due to structural problems common to Small Island Developing States (SIDS). As in other parts of the world, the main causes of mortality in Grenada are attributed to chronic non-communicable diseases (CNCDs) which account for 65% to 81% of deaths. Approximately 60% of the population reside outside the main urban areas and experience a high level of poverty – nearly 40% of the population live below the poverty line. Therefore, there is a need to address public health in the current environment of high levels of poverty and limited fiscal space, and impact on health on social and economic development.

In order to accommodate the changing epidemiological profile of the population and widen the range of primary health care (PHC) services accessible at the community level, the Government has recently launched a PHC policy and institutional reform programme. Therefore, to support the National Primary Health Care Policy, the key specific objectives of this Sector Reform Contract include improving the financial capacity of the Government to achieve sustainable financing of the health sector; promoting coherent and integrated policy and legislative environment across strategic sectors; improving service delivery with emphasis on quality and access to integrated and comprehensive PHC services; and improving governance at the sector level for efficient management of PHC.

The population of Grenada stands to benefit from this health sector project through improved access to a more comprehensive PHC system, both in terms of scope and quality of services and an emphasis on prevention and wellness. These benefits are expected to be of particular importance to vulnerable groups facing acute problems of access to primary health services in rural communities. A wide spectrum of stakeholders, including the EU supported Non-State Actors Panel (NSAP), have been consulted and involved through informant interviews, focus

groups, and workshops to finalize the PHC Policy, as well as to provide input to the 11<sup>th</sup> EDF identification.

The programme will be implemented using the budget support modality (Sector Reform Contract-SRC) and complementary support, having as key interlocutors the Ministry of Health (MoH), the Ministry of Finance (MoF), and the National Authorizing Officer's (NAO) Office.

## **1 CONTEXT**

### **1.1 Sector/Country/Regional context/Thematic area**

An analysis of the sector is provided in the National Indicative Programme (NIP), and indicates that the leading causes of morbidity and mortality in Grenada are attributed to chronic non-communicable diseases (CNCDs). This represents the continued epidemiologic disease transition from communicable diseases to non-communicable diseases. Although the country's health budget in 2015 accounted for one of the top five budgetary allocations (7.2% of total expenditure), only 20% of health financing was allocated to Community Health Services, while 55% was allocated for the General Hospital.

Nonetheless, if the incidence of CNCDs in the country continues to increase steadily, the impact on economic gains can be devastating. Patients will require expensive treatments, surgeries and medication that will reduce the productive lives of those affected (i.e. patients and families).

There is no public health insurance system, but significant segments of the population are exempted from all user fees for health services at Government health facilities. This means that rising cost of health services will continue to place a burden on the Government. Out-of-pocket spending to finance health care comprises about one-half of total expenditures on health, which places an undue burden on individuals at the point of service delivery.

The country recognises the need for improving the management and delivery of health care services as well as the urgency to address deficiencies in the health sector, particularly in the area of primary health care. To do so it has put in place the National Primary Health Care Policy (NPHCP) – approved in August 2015 and amended in June 2016 to include the Financial Plan, implementation Plan and Monitoring and Evaluation Framework – which currently represents Grenada's vision for primary health care in the medium term, as well as a fundamental platform for coordinating donors action and support.

The specific objectives are:

- a. Improve the financial capability of the government to achieve sector policy objectives around Primary Health Care and sustainable financing of the sector;
- b. Promote Primary Health Care policies and reforms for a coherent and integrated policy and legislative environment across strategic sectors;
- c. Improve service delivery in the health sector, with emphasis on quality and access to integrated and comprehensive Primary Health Care services.

- d. Improve governance at the sector level for efficient management of the Primary Health Care system.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The National Primary Health Care Policy is a key element of Grenada's overall socioeconomic development plan. PHC is featured in Grenada's Growth and Poverty Reduction Strategy (GPRS, 2014-18) and the National Strategic Plan for Health (NSPH, 2016-2025).

The National Primary Health Care policy covers a 10-year period and has been approved via the Government's public policy process after its development by the Ministry of Health with the participation of stakeholders, including members of the National Chronic Communicable Disease Commission.

The following are the six policy objectives:

- i. The use of appropriate and accurate data and disease surveillance information from the community to inform policy decision and program development – this is aimed at the collection of community data for the creation of district level health profiles to promote pro-equity health policies and programming, including the pursuit of universal health coverage;
- ii. To institute a feedback mechanism for services delivery within primary health care – this is aimed at organisational strengthening for patient follow-up, monitoring and evaluation within the primary health care system and between the primary, secondary and tertiary levels of care as part of the continuum of care. This will have a direct impact on quality of care and patient outcomes;
- iii. Collaboration with strategic ministries and organisations in poverty alleviation programs and activities, including educational programs that addresses health risk behaviour – this is aimed at the creation of synergies with other sectors, such as education, agriculture, economic, environment, urban development, non-state actors, and so on, to advocate for and implement the Health in All Policies approach. This will help to ensure that public policies and programs are aligned to maximise their potential contribution to health and human development;
- iv. Use of accurate cost data to inform budgetary allocation for the primary health care – this is aimed at strengthening the planning and management function of the Ministry of Health with regards to adequate and sustainable resource provision for the primary health care. This can be achieved through development of a health account systems and identification of options for funding, implementing and monitoring a system of National Health Insurance; and
- v. Collaboration with local and regional tertiary level institutions and organization in primary health care research
- vi. To monitor and evaluate the primary health care service delivery as a means of providing services that meets the needs of the population – this is aimed at strengthening the planning and management function of the MoH with regards to accountability and transparency of the primary health care service delivery, and cuts across the entire primary health care reform.

The national health policy focuses on internationally accepted priority areas for the primary health care and is consistent with Grenada's overall National Strategic Plan for Health. The policy contains the financing plan, implementation plan and M&E framework which were approved in June 2016 by Cabinet.

The financial plan indicates an average recurrent expenditure of Eastern Caribbean Dollars (XCD) 14,575,834.40 (EUR 4,846,446.88) per annum over 5 years (i.e. 2016-2020) to fund PHC, with XCD 14,387,626.00 (EUR 4,783,867.83) estimated for 2016. This includes 84% of recurrent expenditures and 16% of capital expenditure for the year and XCD 375,758.00 (EUR 124,939.0696) or 2.61% for implementation of new activities highlighted in the NPHCP, but not fully captured in the National Budget estimates. On average over the same 5-year period, Government of Grenada will contribute 84% of the PHC budget, but it is worth nothing that Government's contribution will be 99% at the end of this period in 2020.

The M&E Framework has SMART indicators and annual targets, and is subject to accountability via the policy committee of the Ministry of Health, Cabinet, and stakeholders. The framework is expected to be reviewed and updated annually to account for programmatic changes and forecasting for subsequent years included in the policy period, but unaccounted for in the current framework.

Grenada's PHC reform calls for the use of accurate data and systems for disease surveillance and budgetary allocation to inform decision-making and financial management of the health sector, as well as monitoring and evaluation of the primary health care services to ensure that services are meeting the needs of the population. These areas are central to strengthening the health sector's ability to increase access to affordable and good quality health services, especially to vulnerable populations, such as women, children, elderly and unemployed persons, thereby improving the health status of citizens.

The reform also calls for increased access to a range of health services accessed through health promotion officers, nutritionists, environmental health officers, psychologists, dentists, social workers, certified substance abuse workers, and so on to deliver comprehensive and integrated community-level health services on a daily basis that meets the needs of the community, as well as a health facility designed to facilitate an integrated system of service delivery. Central to all of this is the decentralised management of the primary health care services, whereby priorities and budgets at the community level are driven and monitored by the participation of community members and non-state actors in District Wellness Councils.

The issue of sustainability of the primary health care reforms are addressed and are accounted for in the recently approved financial and implementation plans of the policy by focusing on waste and inefficiency reduction in the system. The implementation plan highlights key activities for strengthening governance, sustainable financing, quality management and service delivery, accountability, and community engagement, which are expected to strengthen the health system for sustainability of the policy. Based on costing of the National Primary Health Care Policy, it shows a decreasing trend in the funding gap between 2018 and 2020, a trend that is expected to continue as government begins to benefit from increased revenue and other gains from measure implemented for sustainable financing of the sector. Another reason for this is government expectation of reduced reliance on external funding for the PHC as the costing indicates that government is expected to fund 99% of the primary

health care system costs in 2020.

The SRC will support reform in these areas in the context of the broader NPHCP. The European Union (EU) support of the National Primary Health Care Policy (2015) will build on over two decades of cooperation between the EU and Grenada which has focused on building the economic and social infrastructure, and human resource capacity required to foster competitiveness and create a path to sustainable development. The 9<sup>th</sup> EDF support substantially improved access to portable water and supported Grenada's poverty reduction programme, while the 10<sup>th</sup> EDF continued supporting poverty reduction through human resources development, including, to vulnerable women and youth, and improving food security for the families of undernourished children. While these were not health sector interventions, they are considered to have a protective effect on health status.

### ***1.1.2 Stakeholder analysis***

Given the size of country, the entire population stands to benefit from the reforms for improvements in the primary health care system. However, in the short-term, persons in the 'North-West' health district (i.e. St. Mark, St. John and St. Patrick parishes) and the 'Southern' health district are expected to be the direct beneficiaries of integrated health PHC services, since these are the two districts where PHC reform pilot projects have commenced. Integrated services will help to better address the needs of vulnerable and impoverished youth, women, elderly, physically and mentally challenged persons.

Health and social service provider, including community health workers, Primary Health Care Teams, Epidemiology and Information Unit, and Planning Unit stand to benefit from an improved and better equipped institutional and operational environment. The Ministry of Health (MoH) will have access to surveillance and management information tools necessary to analyse health-related data and make evidence-based decisions about the top causes of morbidity and mortality data to human resources and financing. The MoF is also identified as beneficiary, particularly as it relates to matters of public financial management and sustainable financing of the health sector.

Furthermore, a wide spectrum of stakeholders, including the Government's finance, planning and public health agencies, local non-state actors panel (NSAP), PAHO and the Delegation of the European Union participated in the key informant interviews, focus groups, and the stakeholder workshop which occurred as part of the situation analysis and project identification for the 11<sup>th</sup> EDF. The Government intends to continue to engage stakeholders through the various stages of project development, implementation and monitoring. In particular, the Government is expecting NSAs to have a leadership role in management of the District Wellness Councils (DWC) to assist the District Wellness Managers in implementing community-based health programs and activities.

### ***1.1.3 Priority areas for support/problem analysis***

Successive Grenadian Governments have demonstrated their commitment to strengthening the health sector's response to the changing epidemiologic profile of the population, as well as to follow health sector trends in the Region of the Americas regarding PHC, Health in All Policies, and universal health care coverage (UHC). In August 2015, the Cabinet approved the

National Primary Health Care Policy (NPHCP) – the policy to be supported under the 11<sup>th</sup> EDF.

A priority area for support of the NPHCP is through funding the policy, programmatic and legislative implementation of the integration of the WHO's Health in All Policies framework in strategic sectors/ministries, such as education, agriculture, social development, and youth and sports. This intervention will help to ensure that actions in these strategic sectors are consistent with priorities of the health sector and have a positive impact on the health and well-being of the population, and overall human development. Health in All Policies will be part of a new social contract and joined-up leadership within the Government, across all sectors and between levels of the Government.

The other priority area for support of the NPHCP is PHC service delivery. Although the MoH has launched a new PHC service delivery pilot initiative for the provision of comprehensive and integrated access to PHC services at the community level, still at its initial stage, overall implementation seems to be facing challenges which have delayed the phased roll-out of the pilot. As a matter of priority the MoH needs to clearly identify and address the bottlenecks hindering implementation of the pilot to strengthen the prevention and control of priority health issues, such as NCDs at the community level, so that various services can be offered in the same facility on the same day, and also strengthen the management of PHC.

## **1.2 Other areas of assessment**

### **1.2.1 Fundamental values**

Article 21 of the Treaty on the Functioning of the European Union (TFEU) defines democracy, rule of law, universality and indivisibility of human rights and fundamental freedoms as guiding principles of EU action. Article 208 of the TFEU stipulates that development cooperation, shall be conducted in the framework of the principles and objectives of the Union's external action and its primary objective is poverty reduction and eradication. In Grenada's economic strategy, GPRS 2014-18, the country shares the objectives of good governance and poverty reduction/alleviation through broad sector reforms. The budget support risk assessment framework projects an overall positive picture of fundamental values in the country.

Grenada is part of the Human Rights Universal Periodic Review (UPR) system, with its latest UPR having taking place at the end of 2014, and the report adopted at the 21<sup>st</sup> UPR Session on 29th January 2015. The UPR's assessment of the Health Sector captures that the Government of Grenada values the importance of an adequately resources primary health care system at the community level, relevant sustainability challenges and the recognition of health as a human right. The UPR also noted the contributions of civil society to the promotion and protection of human rights in Grenada.

Grenada is currently undergoing a participatory Constitutional Reform process to update the existing Constitution which came into force on 7th February 1974. The process is being facilitated by the Constitution Reform Advisory Commission; recommendations have been submitted to Cabinet and the Government of Grenada is expected to hold a referendum on the reform in the second quarter of 2016. The recommendations explicitly incorporates the principle of gender equality, broadens the scope of discrimination to include age, place of

birth, ethnicity, religion, social class, disability and language. The role of health care as a response in the area of domestic violence and sexual abuse, one of the important European Union human rights priorities in the region is described, alongside law enforcement, social service and legal service in The National Domestic Violence and Sexual Abuse Protocol (2011). The Child Protection Act (2010) offers protection for children exposed to abuse enhanced by similar provisions in the Education Act (2012). In early 2015, the Government of Grenada launched its first ever Health Care Sector Standard Operating Procedure for Gender Based Violence. The recommendations in the UPR for strengthening health as a human rights is consistent with the focus areas of the of Grenada's health sector programme under the 11<sup>th</sup> EDF.

### ***1.2.2 Macroeconomic policy***

In an effort to tackle the challenges faced by Grenada, the Government embarked on a Home Grown Programme which is supported by a three-year USD 21.7 million (EUR 19,481,102.43) programme with the IMF under its Extended Credit Facility (ECF) approved in June 2014. The ECF-supported programme, which is now entering its third and final year, catalysed significant IFI and donor assistance, and helped meeting balance of payment needs and provide fiscal space for structural adjustment and debt reduction.

The IMF Article IV and ECF programme review of March 2016, confirmed Grenada's strong economic performance in 2015, with an estimated growth of 4.6% predominantly driven by the expansion of agriculture, tourism and construction, and lower oil prices. For 2016 growth is projected at 3% reflecting expectations of a more moderate growth in agriculture and tourism sector. Fiscal and external balances also improved in 2015 as Grenada met all the quantitative performance criteria of the ECF program. The primary surplus is estimated at 2.2% of GDP (including CIB program revenues); budget arrears were cleared, allowing for increased liquidity and confidence in the economy, and key debt restructuring agreements with private sector were concluded. Grenada's public-sector debt was reduced from a peak of 107% in 2013 to 92.7% at end of 2015. On the external side, the Balance of Payments improved mainly on the back of a consistent reduction of the current account deficit from 15.1% of GDP in 2015 from the 2013 peak of 23.2%. Tourism related FDI and private capital inflows, together with a rise in foreign reserves to 6 months of imports, adequately financed the Current Account deficit.

The IMF also noted the advancement made by the Government on structural reforms, notably the passing of the Tax Administration Act and the establishment of the Taxpayers Unit within the IRD, reforms proceeded slower than planned and became operational only in early 2016, but represent nonetheless a positive achievement.

Continued Government commitment to budget discipline and structural reform will be crucial in the coming year and in the medium-term, as the country struggles to curb the critically high unemployment rate, expand its output base through economic diversification, and stabilize social spending under the SEED program, particularly as Government spending under the SEED program in 2015 was less than forecasted.

Aligning the budget with the Fiscal Responsibility Act (2015) and with the programme commitments, together with progress on the structural reform agenda will be the key priorities

in 2016 and into the medium term. In particular, better management of public sector wage bill and growth-enhancing reforms for greater employment opportunities are most urgent needs to be addressed. As the Government keeps its target for further debt reduction and further fiscal consolidation, the fiscal space will be very limited, hence the need for strict budget discipline and adherence to the program targets.

The macroeconomic situation is overall stable and positive performance is expected for the short-to medium term. The EU Delegation in Barbados will continue closely monitor it in coordination with the International Monetary Fund (IMF), particularly as regards fiscal sustainability and spending on social needs. While the country remains highly dependent on external factors, both on the international level (i.e. FDI-related construction; UK, US or Canada tourist arrivals, etc.) and on the regional level (i.e. fiscal responsibility of neighbouring countries in the ECCU that could affect the monetary union stability); the assessment is that the Government is taking sound policy measures and the outlook is fairly positive.

The framework for policy dialogue on macro-economic issues between the EU Delegation and the Government already existed under the implementation of the 10<sup>th</sup> EDF budget support programme and is ongoing in the context of the 11<sup>th</sup> EDF programming exercise. The IMF review missions provide a forum biannually for dialogue with the Government of Grenada and the donor community. The dialogue during these meetings focuses on the recent economic developments, progress in the implementation of the ECF Arrangement, donor funded complimentary programmes, capacity constraints and technical assistance requirements under the programme. The World Bank (WB), Caribbean Development Bank (CDB) and CIDA are all represented at the IMF debriefings.

### ***1.2.3 Public Financial Management (PFM)***

A repeat PEFA exercise was conducted in July 2015 by the IMF/CARTAC following the first PEFA conducted in 2010. The Final Report has been issued by CARTAC, but the Government is still reviewing it. To address key PFM weaknesses as identified in the 2015 PEFA, a draft PFM Action Plan has been developed by CARTAC and submitted to the Government of Grenada for review and cabinet approval. PEFA scores indicate that Grenada PFM has improved. In terms of processes and PFM developments, **Grenada has taken major important steps to strengthen its public regulatory PFM framework which are expected to support PFM practices going forward.** These include:

- Legislative framework has improved with the Parliamentary approval of the Public Finance Management Act and Public Procurement Act in 2014. The PFM Act, which was promulgated in June 2015, brings the legislative framework for PFM in line with international best practice. It expands the scope of the legislation to the entire public sector; strengthens budget preparation and execution; strengthens oversight over public bodies; introduces internal controls; limits ability of the Government to spend above budget without parliamentary approval and strengthens control over expenditure commitments, including through the introduction of strict personal and institutional penalties. The Act is supported by draft regulations to assist its implementation.
- The PFM act also provides the context for the Fiscal Responsibility Act (FRA) which was passed in 2015 by both Houses of Parliament but is yet to be published. The FRA

introduces a rules-based fiscal framework establishes risk management systems, and promotes transparency in financial operations. It also guides the implementation of the medium-term fiscal framework required under PFMA; it serves to anchor fiscal policy during the budget process to ensure that the Government finances are sustainable over the short, medium, and longer term, consistent with a sustainable level of debt, and for related matters.

- The Public Procurement Act, published in April 2015, defines open competitive procurement as the default method, and clearly defines the conditions under which other methods can be used. The new legislation also includes the establishment of a Public Procurement Review Committee which is in the process of being established. Overall, the Act aims at making public procurement more efficient and transparent.
- The Government has also introduced a Public Debt Management Act in June 2015 to complement the PFM Act. The objectives of public debt management in Grenada are to ensure that the Government's financing needs are met on a timely basis and that its debt service obligations are met at the lowest cost over the medium-to-long-term, consistent with an acceptable and prudent degree of risk; that public debt is managed in a manner consistent with the objective of achieving and maintaining sustainable debt; and that the domestic debt market is well developed in the medium-to-long-term.
- Dialogue on PFM between the EU and the Government of Grenada was established under the 10<sup>th</sup> EDF budget support programme. Regular meetings were held between the EU Delegation and the PFM Steering Committee in Grenada chaired by the Permanent Secretary of Finance and Deputy National Authorising Officer, to discuss and monitor progress with respect to implementation of the PFM Action Plan. The EU is an official reviewer of the 2015 PEFA, has contributed to the finalization of the PEFA concept note prepared by CARTAC, and will review the Final PEFA report. The EU Delegation attended the PEFA mission exit meeting on 4 August 2015, where preliminary results were presented and discussed with all relevant government authorities.

#### ***1.2.4 Transparency and oversight of the budget***

The entry point is considered to be met, as the budget estimates for 2015 approved in Parliament in March, were available on the official website shortly after being approved. The 2016 Budget Statement was released on 25 November 2015 and published online immediately.

The process for developing the budget is participatory, involving all stakeholders. Consultations are usually held with Line Ministries, key stakeholders, such as, the Conferences of Churches, Non-Governmental Organizations and the private sector. District and national consultation are usually held and the outcomes of the discussions are integrated into the budget, where necessary.

Oversight of the budget is also granted by the IMF through the monitoring of the ECF and Grenada's Home Grown Programme. Recent reforms which enhance transparency and oversight of the budget include the impressive legislative agenda of the Government including the Procurement Act(2014), PFM Act(2014), Fiscal Responsibility Act (2015), Public Debt Management Act (2015) and the approval of the strategic plan for the reforms of state owned

enterprises.

## 2 RISKS AND ASSUMPTIONS

<b>Assumptions</b>		
<p>The working assumption is that PHC Reform and sustainable financing of the health sector will continue to be long-term national priorities for the Government of Grenada and that it continues to seek to strengthen the operational and financial management of the health sector as critical factor for sustainable economic growth and development. Is also assumed that the Government will do its best to ensure the achievement of the identified targets.</p>		
<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
<p>There is a risk that implementation beyond the 11<sup>th</sup> EDF funding can be affected due to Grenada's vulnerability to natural disasters and external shocks, as well as macro-economic deterioration despite anticipated economic growth that may hinder government's ability to sustainably finance PHC as part of its recurrent health expenditure.</p>	M	<p>In order for investments to be sustainable, Disaster Risk Reduction measures will be integrated in every way possible to relevant programme components and activities. It is also expected that the Health Management Information System shall provide a view of expenditure and revenue within the sector and shall allow for improved public financial management, resource allocation and decision-making.</p>
<p>The efficient management and implementation of the PHC reforms by the MoH to meet programme targets.</p>	M	<p>The recently approved National PHC Policy will serve to guide change management in the Primary Health Care Division. The office of the NAO, EU and PAHO are already working closely with the MoH to support them in various areas of development of the 11<sup>th</sup> EDF that will affect management and implementation of the PHC reforms under the 11<sup>th</sup> EDF; this support will continue for the duration of 11<sup>th</sup> EDF. A Programme Oversight Committee will also be created.</p>
<p>The main risk to the 11<sup>th</sup> EDF is the significant opportunity cost if the PFM Action Plan is not completed as planned. However delays in the PFM Action Plan approval will not halt progress on ongoing Government reforms nor on the achievement of related targets under the IMF ECF.</p>	H	<p>The EU Delegation remains in close communication with the Government on the progress of the PFM Action Plan, on which work has commenced in March 2016.</p> <p>Issues related to sustainable financing of the health sector shall continue to receive particular emphasis in the framework of the macro-economic and public financial management discussions in the framework of the 10<sup>th</sup> and 11<sup>th</sup> EDF budget support programmes.</p>

### **3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES**

#### **3.1 Lessons learnt**

Anecdotal evidence via experience from various donor programmes across sectors via agencies such as PAHO, the WB and the EU, as well as, findings from the ROM<sup>1,2</sup> Reports from the 10<sup>th</sup> EDF support to Grenada have yielded three (3) key lessons.

First, the importance of a well-structured participatory process to project success means that key stakeholders and a mix of managers and front line staff should be involved in key decision-making processes in a bottom up-approach. Furthermore, line ministry counterpart(s) to experts contracted under the Technical Assistance component should be assigned as part of the participatory process and capacity building.

Second, the importance of integrating and embedding projects within existing organizational structure, and the potential economies of scale than can be achieved needs to guide the implementation process from its conceptual stage. Better integration and embedding promotes information and resource sharing as well as synergies, while amplifying evidence based decision-making. It was noted that vertical programmes with teams of staff dedicated to them in an isolated manner can lead to lack of transparency that can affect the attitude of workers because of the differences in remuneration, status, etc.

Finally, a key lesson learnt from the 10<sup>th</sup> EDF is the importance of choosing fewer more manageable indicators that can be realistically achieved for Budget Support. Experience from the 10<sup>th</sup> EDF suggests the need for more regular and focused dialogue with the Government to choose the indicators during the formulation stage (discussions have already started during identification), and to monitor and provide support during the implementation stage.

#### **3.2 Complementarity, synergy and donor coordination**

The Government of Grenada is collaborating with several local, regional and international agencies in its effort to address challenges and transform its health sector. The 11<sup>th</sup> EDF Health Sector Programme will complement the following ongoing actions and synergies by Government with other donors.

- Eastern Caribbean Telecommunications Authority (Ectel)/National Telecommunication and Regulatory Commission (NTRC) will provide connectivity for the district hospitals and six (6) health centres to strengthen the HMIS (XCD 136,338.84; EUR 45,446.28). By the mid-2016, equipment including desktop and laptops computers and networking equipment will be provided, and is expected to reduce wastage and contribute to increased efficiency and the overall quality of care. Complementary Support under the 11<sup>th</sup> EDF will provide the architecture (i.e. hardware and software) and networking, including computer devices, cables, network routers, etc. for the 30 medical centres and the new polyclinic to be constructed by the Government of Grenada.
- The Centre for Disease Control and Prevention (CDC) is funding the development of an

---

<sup>1</sup> [MR-130227.03](#), 28/03/2011

<sup>2</sup> [MR-130227.01](#), 15/03/2010

electronic immunization registry project to be undertaken by the Community Health Department (XCD 133,612.08; EUR 44,537.36). An electronic registry of immunizations will address problems with loss of data and duplication of records, and will strengthen continuity of care to transient families and elderly clients. An electronic immunization registry contributes to the overall improvements in the HMIS.

- The United Nations Zero Hunger Challenge Initiative in Grenada includes the school health programme, Community based exercise programmes, and programmes for public officers, Nutrition education and Nutrition Training Programmes (XCD 259,043.82; EUR 86,347.94). This program will help to address the prevention and control of CNCDS at the school and community levels, as well as capacity building.
- The Pan-American Health Organization/World Health Organization (PAHO/WHO) provides technical assistance support (2014-2016: GBP 198,556.99; EUR 252,681.33 (funded by DfID)) in health policy development as well as training for a wide range of health personnel. In 2016 PAHO will support the development of a Men's Health Policy and continue to provide support for adolescent health and the national health accounts. Technical Assistance for training will continue to build capacity for the health sector and support PHC activities. For e.g. in 2015 a foot care workshop was conducted and the NCD Action Plan was developed.

The European Commission Humanitarian Organization (ECHO) is also supporting PAHO/WHO within the framework of a regional Disaster Preparedness Programme (DIPECHO) project. PAHO continues to provide technical assistance in the design of a SMART/Green health facility (i.e. evaluating iterations of the Ministry of Works' design for compliance with standards for an eco-efficient facility). PAHO has conducted trainings on the integration of services into PHC, and if necessary, can continue to be an important partner in developing the facility's management plan and CNCDS implementation program.

Additionally, the EU and PAHO are working closely together to support Grenada's National Primary Health Care Policy. For example, PAHO continues to advise the Government's design of a smart and green health facility in accordance to WHO/PAHO guidelines on smart health facilities. In collaboration with Government and the EU, PAHO is preparing the financial, M&E and implementation plans for the NPHCP. PAHO will provide input for the formulation stage to prevent an inadvertent double-funding of activities, and help ensure that the activities are developed in a manner to provide which supports the NPHCP in a comprehensive and effective manner. PAHO will continue providing input during the formulation and implementation phases, e.g. via participation in steering committees/program oversight committees, advising on technical areas for development of the TOR, and monitoring of the 11th EDF health sector programme.

- The World Bank (WB) is providing financial and technical assistance (USD 94,266.64; EUR 83,245.00) through the Electronic Government for Regional Integration (EGRIP) project for the implementation of a National Health Information System. The project will be piloted at the General Hospital and will be rolled out to the other health facilities in a later phase.
- St. George's University (SGU) provides a diverse programme of assistance to Grenada. The St George's University provides scholarships to Grenada's nationals mainly in the fields of medicine and public health, and provide funding for equipment for the General

Hospital, assistance in Laboratory, and provides specialist medical personnel who provide free care to Grenadians.

- The Government of Grenada also maintains arrangements for training with several countries including, inter alia, Cuba, Morocco, Malaysia, Venezuela, Trinidad and Tobago, Serbia, China, Canada, Mexico and the United Kingdom.

Overall strategic donor coordination in the sector is entrusted to the senior managers in the MoH (i.e. Permanent Secretaries and Heads of Departments).

### **3.3 Cross-cutting issues**

The Corporate Plan for Health was developed on the basis of key principles which are directly linked to cross cutting issues highlighted in the European Consensus on Development including the attainment of the right to health care, gender equality, good governance, ownership and partnership, state fragility and poverty eradication through the promotion and provision of health services that are appropriate, accessible, equitable, and sustainable. Additionally, the human rights approach ensures that access to health care and support services are addressed as priority health services development issues, particularly in the prevention, management and control of communicable and non-communicable diseases. At its heart, Grenada's PHC Reforms will address health as a human rights and gender equality issue, as it aims to make health services more accessible and affordable for all persons, especially those who are disenfranchised.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The overall objective of the 11<sup>th</sup> EDF Health Sector programme in Grenada is to support the development of a National Primary Health Care program in Grenada with emphasis on preventative population health utilizing a multifaceted approach, especially for the reduction of chronic non-communicable diseases.

The key specific objectives to be pursued based on the National Primary Health Care Policy are to:

- a. Improve the financial capability of the Government to achieve sector policy objectives around Primary Health Care and sustainable financing of the sector;
- b. Promote Primary Health Care policies and reforms for a coherent and integrated policy and legislative environment across strategic sectors;
- c. Improve service delivery in the health sector, with emphasis on quality and access to integrated and comprehensive Primary Health Care services.
- d. Improve governance at the sector level for efficient management of the Primary Health Care system.

The expected results to be achieved are presented below in conformity with the requirement of sector budget support operations:

- I. Improved design and implementation of sectoral policies, notably with respect to the integration of the WHO's Health in All Policies framework in strategic

sectors/ministries (e.g. education, agriculture, social development, and youth and sports) to consolidate reforms within the health sector, and a National Health Insurance policy and legislative framework for sustainable financing of the health sector.

- II. Improvements in key indicators of service delivery, notably with respect to the development of a comprehensive, integrated, sustainable and efficiently managed Primary Health Care service delivery system, and also with respect to reduced geographical and gender disparities of access and quality, in particular may include: the strategic availability of a range of health services for different priority health problems in PHC facilities, so various services can be offered in the same facility on the same day; training of staff in the delivery of integrated PHC services; the expansion of Primary Health Care teams at the community level anchored by the Health Promotion Unit; implementation of a system of District Health Service Managers with appropriate protocols, guidelines, tools, and training to efficiently manage and deliver PHC services; and development and implementation of a performance based management and quality improvement system.
- III. Improvements in the quality of public financial management, notably with respect to the sustainable financing of the sector and may include improvements in budget allocation and execution in PHC, public procurement, internal and external audit, and development and implementation of a national health insurance system.

## **4.2 Main activities**

### **4.2.1 Budget support**

Main Activities in this respect will include:

- I. Transfer of €3.42 million over the period first quarter of 2017 to second quarter 2019;
- II. Continued political and policy dialogue with the Government of Grenada with a particular focus on areas reflected in the programme's objectives;
- III. A continued effort to reinforce the Government's capacities in the area of PFM in the context of existing complementary support programmes;
- IV. Continued dialogue between the EU Delegation and other donors to coordinate and further align our development cooperation with a view to avoiding duplication of activities and relieving the Government from multiple reporting duties;
- V. Regular monitoring of budget support eligibility criteria.

### **4.2.2 Complementary support**

The main purpose of the complementary support to the budget support programme is to provide technical assistance and supplies to strengthen areas in which the MoH needs to build capacity to meet the indicators, including for monitoring and evaluation of the PHC policy performance assessment framework. The value added by including the complementary support component rather than under TCF is to allow a closer collaboration between the beneficiary, PAHO and the EU Delegation in the design and implement of activities that are more closely aligned to regional and international guidelines and strategies. Additionally, the lessons learned from other EU funded projects in the Organisation of Eastern Caribbean States (OECS) and other similar donor funded projects in the Region, especially in sustainable financing and the management of information can contribute to the successful implementation

of these activities in Grenada and have more meaningful impact on the lives of citizens in Grenada and the Region. The TCF will also be used to support implementation of the budget support component around other aspects of sustainable health financing, particularly to provide technical assistance to address issues around public financial management. The proposed approach of using both complementary support and TCF to support sustainable financing is geared towards ensuring that Grenada meets the budget support indicators, but most importantly has an operational National Health Insurance system by the end of the 11<sup>th</sup> EDF. Indicatively, the activities under complementary support will be procured via direct management and in this respect may include:

- I. Implementation of a Chronic Non-Communicable Disease Survey and Health Promotion Campaign;
  - a. The purpose of this activity is to implement the STEP Noncommunicable Disease Risk Factor Survey and a health promotion campaign to prevent and control NCDs. The STEPS survey is the WHO STEPwise approach to Surveillance (STEPS) via a simple, standardized method for collecting, analysing and disseminating data in WHO member countries. This activity will help the MoH to better understand the distribution of NCDs and their risk factors in the population to better plan intervention programs recommended in the National Chronic Disease Strategic Plan. Technical assistance and supplies will be procured in this lot, as the survey requires the use of items for testing hypertension, blood sugar levels, body weight, etc. Additionally, charts, brochures and other health promotion aid will be needed for the health promotion campaign.
- II. Development of the National Health Insurance Legislative Framework;
  - a. The purpose of this activity is to develop the National Health Insurance Legislative framework and Implementation Plan, as well as to facilitate the establishment of the administrative body to implement the policy, and will comprise of technical assistance. This activity is needed to accelerate implementation of the National Health Insurance in Grenada, which Government had initially expected to launch during the first quarter of 2016.
- III. Institutionalisation of a Monitoring & Evaluation System for the Health Sector.
  - a. The purpose of this activity is to develop and implement a Monitoring and Evaluation System for the health sector. This activity will help the MoH to put in place a system to monitor, evaluate and report on the implementation of the PHC policy and other key health sector indicators. TA will be required to this activity.
- IV. Strengthening of the Health Management Information System;
  - a. The purpose of this activity is to strengthen the Ministry of Health's Management Information System, in particular the identification, customisation, installation and training in the use of a system. The system is expected to include modules for electronic health and medical records, supply change management, human resource management, supply change management, reportable diseases and events, and reporting. This current HMIS system is paper-based, with data entry and analysis in EXCEL at the level of the Ministry of Health, which is prone to errors and delays in reporting. TA and supplies (HMIS software) are expected to be procured for this activity.

### **4.3 Intervention logic**

The financial transfer together with policy dialogue and complementary support is expected to contribute effectively to the development of a National Primary Health Care program in Grenada with emphasis on preventative population health utilizing a multifaceted approach, especially for chronic non-communicable diseases. This should ultimately contribute to achievement of the overall NPHCP objective of reducing the overall mortality from cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases by 25% by 2025.

The logic of this intervention is based on the principle that PHC provides the best means for delivering proactive, people-centred, community-based care that is equitable and sustainable for people with and at-risk of non-communicable diseases.<sup>3</sup> Considering Grenada's burden of CNCDs and the small proportion of health sector funds allocated to the PHC (20%), the logic is that the proposed action would inject much needed funds to boost the PHC system and allow for a period whereby the health system can be reoriented to the programmatic and budgetary priority of PHC without creating a wider gap between primary and secondary care.

The budget support element of this action will be used to help the Government accelerate implementation of the PHC policy, while the complementary support element will be used to provide technical support in areas where Government has limited capacity to achieve and monitor the budget support indicators.

Through this action, it is foreseen that the PHC system will be more efficiently organised and managed with more trained health PHC workers, better quality services and systems in place for monitoring and accountability. This will lead to more persons utilising PHC services and fewer persons utilising secondary services (i.e. hospital level) without a referral from PHC, and clients being better satisfied with the quality and range of services offered at the PHC level, which will ultimately result in an overall reduced mortality from NCDs.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising

---

<sup>3</sup> World Health Organisation, 2010. Package of essential noncommunicable (PEN) disease interventions for primary health care in low-resource settings.

[http://www.who.int/nmh/publications/essential\\_ncd\\_interventions\\_lr\\_settings.pdf](http://www.who.int/nmh/publications/essential_ncd_interventions_lr_settings.pdf)

officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of the Annex to Regulation (EU) No 566/2014.

### **5.3 Implementation of the budget support component**

#### **5.3.1 Rationale for the amounts allocated to budget support**

The amount allocated for budget support component is EUR 3.42 million, and for complementary support is EUR 380,000.00. This amount is based on the need for specific technical support for studies and pilot project needed to support the implementation of budget support.

#### **5.3.2 Criteria for disbursement of budget support**

a) The general conditions for disbursement of all tranches are as follows:

- i. Satisfactory progress in the implementation of the Primary Health Care Policy and continued credibility and relevance thereof.
- ii. Implementation of a credible stability-oriented macroeconomic policy.
- iii. Satisfactory progress in the implementation of the PFM Action Plan.
- iv. Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information.

b) The indicative specific conditions for disbursement that may be used for variable tranches are the following:

- i. Six (6) active inter-sectoral programs as part of the health-in-all policies initiative by end of 2017.
- ii. Launch of health district reorganisation by 3<sup>rd</sup> Quarter of 2018.
- iii. Cabinet tables relevant National Health Insurance legislation and develops guidelines/standard operating procedures for the formation and functioning of the NHI administrative body by end of 2<sup>nd</sup> Quarter of 2018.

The chosen performance targets and indicators to be used for disbursements will apply for the duration of the programme. However, in duly justified circumstances, National Authorising Officer may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended, temporarily suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

#### **5.3.3 Budget support details**

The two tranche disbursements are planned according to the following types and schedule:

<b>Tranche</b>	<b>First quarter of 2017</b>	<b>Second quarter of 2019</b>	<b>Total</b>
<b>Fixed Tranche</b> Upon signature of the financing agreement and fulfilment of the General Conditions	1 368 000		1 368 000
<b>Fixed Tranche</b> Upon fulfilment of the General Conditions		1 026 000	1 026 000
Variable Tranche Upon fulfilment of specific conditions		1 026 000	1 026 000
<b>Total</b>	<b>1 368 000</b>	<b>2 052 000</b>	<b>3 420 000</b>

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Eastern Caribbean Dollars (XCD) will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

#### **5.4 Implementation modalities for complementary support of budget support.**

##### **5.4.1.1 Procurement (direct management)**

<b>Subject in generic terms, if possible</b>	<b>Type (works, supplies, services)</b>	<b>Indicative number of contracts</b>	<b>Indicative trimester of launch of the procedure</b>
I. Implementation of a Chronic Non-Communicable Disease Survey and Health Promotion Campaign	Services (with small supplies)	One (1)	By the end of the 1st Quarter 2017
II. Development of the National Health Insurance legislative framework	Services	One (1)	
III. Institutionalisation of a Monitoring & Evaluation System for the Health Sector.	Services	One (1)	
IV. Strengthening of the Health Management Information System	Supplies with training	One (1)	

## 5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
<b>1. - Budget support: Sector Reform Contract</b>	<b>3 420 000</b>	<b>N.A.</b>
<b>2. Procurement (direct management): Complementary support (section 5.4.1.) composed of –</b> a. Improvements in key indicators of service delivery b. Improvements in the quality of public financial management	<b>345 000</b>	
3. Evaluation (section 5.9) and Audit (section 5.10)	25 000	N.A.
4. Communication and visibility (section 5.11)	10 000	N.A.
5. Contingencies	N.A.	N.A.
6. Totals	3 800 000	N.A.

## 5.7 Organisational set-up and responsibilities

For the budget support, a joint programme oversight and review committee shall be set up to oversee and validate the overall implementation progress with emphasis on the fulfilment of macro and PFM related indicators and the achievement of variable tranche indicators. The committee shall meet quarterly, with emphasis on the achievement of the sector's priority objectives and specific variable tranche indicators. One of the quarterly sessions shall take the form of the annual progress review including macro-economic, public financial management and the country's Growth and Poverty Reduction Strategy on the basis of annual progress reports.

In addition, a steering committee will have oversight of the complementary support component. The committee shall be comprised of, but not restricted to:

- A representative of the beneficiary country's NAO, the contracting authority;
- The MoH Programme Management Team;
- A representative of the Ministry of Finance in the area of macro-economic planning and public financial management
- A representative from the National Insurance Scheme and the National Health Insurance Advisory Committee for the National Health Insurance component of sustainable health financing;
- A representative of the NSA Advisory Panel;
- Grenada National Organisation for Women (GNOW)
- Representative(s) of other health partners, e.g. PAHO, the UN
- A Representative of the EU with observer status

The programme manager for the complementary support shall be the European Union Delegation and the programme coordinator will be the Ministry of Health via the PHC Division which will have responsibility for supervising the day-to-day implementation of the relevant activities through a Programme Management Team (PMT).

The Delegation will work closely with the MoH and PAHO to develop the Terms of Reference and to evaluate tenders submitted for the complementary support. This is because the specific activities funded from the complementary support build on activities being funded, planned and/or implemented by PAHO in Grenada and/or the region. In particular, the NCD survey to be implemented is the global WHO STEPS Survey on NCD risk factors which PAHO has requested the EU to fund in Grenada since the country is due for a follow-up on the initial STEPS survey conducted between 2010 and 2011.

PAHO through its efforts to strengthen health systems in the region has been engaging the countries in Organisation of Eastern Caribbean States (OECS) to develop and implement policies for universal health coverage and a regional approach to health management information system. Therefore PAHO involvement in the development of the TOR, evaluation of tenders and monitoring of implementation will help contribute to the development of compatible health systems across the OECS.

## **5.8 Performance monitoring and reporting**

Regular monitoring of budget support general eligibility criteria shall take place in the context of:

- Existence of and progress in the implementation of the National Primary Health Care Policy.
- Macroeconomic stability: IMF Article IV and ECF programme review missions and other relevant progress in implementation of PFM reforms: reviews of the government's PFM reform strategy and associated assessments by IMF/CARTAC/EU on progress of implementation of Grenada PFM Action Plan.
- Budget transparency: EU assessment of entry point and relevant PEFA indicators.

The Ministry of Health will be responsible for collecting and reporting on the data for monitoring the health sector performance indicators according to the sector performance framework, following which the NAO will report to the EU Delegation. The NAO will also be responsible for preparing the reports on the eligibility criteria for submission to the EU

Delegation. Submission of reports to the EU Delegation will be linked to the disbursement schedule and indicatively should be submitted during the 4<sup>th</sup> Quarter of 2016 and 1<sup>st</sup> Quarter of 2019. The EU Delegation will conduct its own assessment of the reports submitted by the NAO to inform the disbursement of the fixed and variable tranches.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Having regard to the importance of the action, a final evaluation can be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that a system for monitoring and evaluation would for the first time be developed in the sector, as well as other system for efficient management and quality service delivery.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under direct management in the 1<sup>st</sup> Quarter of 2020.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for expenditure verification services may be concluded under direct management and may be launch in the 1<sup>st</sup> Quarter of 2020 for the complementary support.

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The EU Delegation will procure services to implement the communication and visibility component of this action. Indicatively, the procedure may be launched by the end of the 1<sup>st</sup> Quarter of 2017.

## APPENDIX - INDICATIVE LIST OF RESULT INDICATORS (FOR BUDGET SUPPORT)<sup>4</sup>

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Baselines (2014-2016)</b>	<b>Targets (2017-2018)</b>	<b>Sources and means of verification</b>
<b>Overall objective: Impact</b>	Development of a National Primary Health Care program in Grenada with emphasis on preventative population health utilizing a multifaceted approach, especially for chronic non-communicable diseases.	Reduce Unconditional probability of dying between ages of 30 and 70 from cardiovascular diseases, cancer, diabetes or chronic respiratory diseases	60% of overall mortality in Grenada caused by NCDs (cardiovascular diseases, cancer, diabetes, or chronic respiratory diseases) (2014)	A 2% relative reduction in the overall mortality from cardiovascular diseases, cancer, diabetes, or chronic respiratory diseases	Registrar General's Report, PHC M&E Report

<sup>4</sup> Mark indicators aligned with the relevant programming document mark with '\*' and indicators aligned to the EU Results Framework with '\*\*'.

Specific objective(s): Outcome(s)	<ul style="list-style-type: none"> <li>a. Improve the financial capability of the government to achieve sector policy objectives around Primary Health Care and sustainable financing of the sector;</li> <li>b. Promote Primary Health Care policies and reforms for a coherent and integrated policy and legislative environment across strategic sectors;</li> <li>c. Improve service delivery in the health sector, with emphasis on quality and access to integrated and comprehensive Primary Health Care services.</li> <li>d. Improve governance at the sector level for efficient management of the Primary Health Care system.</li> </ul>	<ul style="list-style-type: none"> <li>a. Number of key national health insurance activities completed</li> <li>b. Number of key national health insurance activities completed</li> <li>c. Number of district wellness councils established and integrated with health districts &amp; wellness centres</li> <li>d. Completion of annual management efficiency audit</li> </ul>	<ul style="list-style-type: none"> <li>a. 0 (2016)</li> <li>b. 0 (2016)</li> <li>c. 1 district wellness council formed, but not integrated with the health district and wellness centres does not yet exist (2016)</li> <li>d. 0</li> </ul>	<ul style="list-style-type: none"> <li>a. Programme or capitation based budgeting piloted in one health district by end of 3<sup>rd</sup> QTR 2018</li> <li>b. Cabinet tables relevant legislation and guidelines/SOPs developed for the formation and functioning of the NHI administrative body by end of 2<sup>nd</sup> QTR 2018</li> <li>c. Total of 3 by the end of 2018</li> <li>d. 2018 management efficiency audit completed &amp; reported by end of 2018.</li> </ul>	<ul style="list-style-type: none"> <li>a. Government Gazette;</li> <li>b. Estimates of revenue &amp; Expenditure</li> <li>c. Minutes of Council meetings, PHC report</li> <li>d. Audit report; staff interview</li> </ul>
Induced outputs	<ul style="list-style-type: none"> <li>a. Improved service delivery in the health sector with emphasis on quality and access to integrated and comprehensive Primary Health Care services.</li> <li>b. Increased collaboration of other strategic ministries and organisation in poverty alleviation program and activities that address health risk behaviour</li> </ul>	<ul style="list-style-type: none"> <li>a. Number of family nurse practitioners trained; Number of M&amp;E activities completed</li> <li>b. Number of inter-sectoral activities</li> </ul>	<ul style="list-style-type: none"> <li>a. 1; 0</li> <li>b. 4 programs in 2016</li> </ul>	<ul style="list-style-type: none"> <li>a. 2 family nurse practitioners trained and placed at health centre; patient satisfaction survey encompassing data from at least 50% of PHC sites by the end of 2017</li> <li>b. 6 active intersectoral programs by end of 2017</li> </ul>	<ul style="list-style-type: none"> <li>a. Estimates of Revenue &amp; Expenditure; PHC report; survey report</li> <li>b. PHC Reports; program materials</li> </ul>

Direct outputs	<ul style="list-style-type: none"> <li>a. Improved use of feedback mechanism for service delivery within PHC</li> <li>b. Increased use of appropriate and accurate data and disease surveillance information from community to inform policy decision and program development</li> </ul>	<ul style="list-style-type: none"> <li>a. Percentage of health worker follow-up with counter-referral according to Standard Operating Procedures</li> <li>b. Percentage of patient data recorded using e-health system at the point of care</li> </ul>	<ul style="list-style-type: none"> <li>a. 0</li> <li>b. E-health system not available in PHC facilities</li> </ul>	<ul style="list-style-type: none"> <li>a. 50% of health workers conducting counter-referrals according to SOPs by end of 2018</li> <li>b. 40% of patient data recorded using e-health system by end of 2018</li> </ul>	<ul style="list-style-type: none"> <li>a. Patient survey; MoH audit;</li> <li>b. E-health reports; MoH Audits</li> </ul>
Indicators linked to disbursement		<ul style="list-style-type: none"> <li>a. Reduced Unconditional probability of dying between ages of 30 and 70 from cardiovascular diseases, cancer, diabetes or chronic respiratory diseases</li> <li>b. Number and types of PHC facilities with Management Plan</li> <li>c. Number of inter-sectoral activities</li> <li>d. Number of key national health insurance activities completed</li> </ul>	<ul style="list-style-type: none"> <li>a. 0</li> <li>b. Six (6) health districts; Zero District Health Services Manager as part of the PHC system; One District Wellness Council formed, but not fully operational;</li> <li>c. 0</li> </ul>	<ul style="list-style-type: none"> <li>a. Launch of health district reorganisation by 3<sup>rd</sup> quarter of 2018</li> <li>b. 6 active inter-sectoral programs as part of the health-in-all policies initiative by end of 2017</li> <li>c. Cabinet tables relevant National Health Insurance legislation and guidelines &amp; SOPs developed for formation and functioning of the NHI administrative body by end of 2<sup>nd</sup> quarter of 2018</li> </ul>	<ul style="list-style-type: none"> <li>a. PHC Report; MoH Website; Observation; Estimates of Revenue &amp; Expenditure; District Wellness Council Meetings Minutes</li> <li>b. PHC Report, Intersectoral program report and program materials (e.g. curriculum, reports), research papers</li> </ul>