



# Evaluation Summary



International  
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## *Supporting the establishment of the National Health Insurance scheme in Lao PDR and the extension of coverage*

### Quick Facts

**Countries:** Lao PDR

**Final Evaluation:** June 2016

**Evaluation Mode:** Independent

**Administrative Office:** ILO Country Office for Cambodia, Lao PDR and Thailand

**Technical Office:** ILO Decent Work Technical Support Team for East and South East Asia and the Pacific

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**Project Code:** LAO/11/01M/LUX

**Donor(s) & Budget:** Government of Luxemburg, US\$ 2 million

**Keywords:** Health insurance, medical care, social security

### Background & Context

#### Summary of the project purpose, logic and structure

Lao PDR has some of the poorest health indicators in the region. The Government of Lao is committed to the progressive harmonization of existing health insurance schemes and the extension of coverage. ILO and WHO aimed to facilitate the development and implementation of

the new social health protection strategy in Lao PDR.

The project aimed to develop capacities in social security and social health protection and provide technical support in the area of policy-making, design, implementation and monitoring of the schemes and the progressive harmonization of their operations.

The project has three immediate objectives:

*Immediate objective 1:* By the end of the project the policy and regulatory framework will have been further developed at the national level (support for the preparation/finalization and harmonization of all the decrees, laws, regulations, etc.) and costing of social health protection benefits will have been conducted.

*Immediate objective 2:* By the end of the project a staircase approach, including the ‘harmonization’ of benefits, operations and MIS & IT systems across existing schemes, support to new enrolments and the establishment of a fund to increase access to social health protection for the poor will have been demonstrated as feasible in one province.

*Immediate objective 3:* By the end of the project the experience outlined in objectives one and two will be documented and evaluated and a second phase project proposal will be prepared and submitted to a pool of donors to further support the establishment of the National Health Insurance Agency and the extension of coverage in an larger number of provinces.

## **Present Situation of the Project**

The project is now coming to an end of its implementation period (June 2016) having been extended from the original closing date of June 2015. The state of implementation is summarized below (Main Findings & Conclusions).

## **Purpose, scope and clients of the evaluation**

The main purpose of this evaluation is to assess the relevance, performance and success of the activities undertaken by the project. It also examined achievements, good practices and lessons learned from the project in order for the ILO, WHO and Ministry of Labour and Social Welfare (MoLSW), Ministry of Health (MOH) and the Government of Lao PDR to identify key areas which are replicable and the necessary conditions for sustainability. Knowledge and information obtained from the evaluation will be used as basis for better design and management for results of future ILO and WHO activities in Lao PDR. The evaluation also supports public accountability of the Government of Lao PDR, ILO and WHO.

Clients and users of the evaluation include:

- ILO Country Office for Thailand, Cambodia and Lao PDR, WHO Country Office for Lao PDR, WHO HQ and WPRO management,
- Government of Lao PDR [Ministry of Labor and Social Welfare (MoLSW), Ministry of Health (MoH)], Workers and Employers' organizations, social security organizations (NSSF) and the donor
- ILO HQ and RO-Bangkok.

The evaluation examined the progress, achievements, good practices, and lessons learned from the implementation of the project's interventions in order to support the progressive harmonization of the schemes and increase coverage.

The evaluation included all activities undertaken by the ILO and WHO joint project during the current project period (2012-2016). The evaluation considered achievements towards strengthening policy processes, harmonization of procedures of different schemes and expanding coverage national health insurance policy in Lao PDR.

The evaluation verified good practices and lessons learned from the implementation of the project and includes a set of practical recommendations for immediate adoption/ application recommended for further integration in to ILO and WHO practices in similar future projects.

## **Methodology of evaluation**

The evaluation team followed the ILO's Evaluation Guidelines as the basic evaluation framework. The final evaluation was carried out in accordance with ILO standard policies and procedures, and complied with evaluation norms and ethical safeguards. The evaluation methodology included:

- Desk review of relevant documents and related to performance and progress of the project, including the initial project document, progress reports, etc.
- Review of other relevant documents, e.g. Decree on National Health Insurance and Social Security Law (2013), National Health Financing Strategy (HFS) 2010-2015, etc.
- Interviews with ILO Country Office management, CTA and staff, other ILO project staff whose project is targeting health and social protection sectors, relevant technical specialists both at HQ and DWT-BKK level
- Interviews with other key project stakeholders, e.g. tripartite constituents, donors, implementing partners, direct recipients (staff of relevant government departments) direct beneficiaries. This will include the Government of Lao PDR

[Ministry of Labour and Social Welfare (MoLSW), Ministry of Health (MoH)], Workers and Employers' organizations, and social security organizations (NSSF).

- Stakeholders' validation workshop in Vientiane where the preliminary findings were presented to key stakeholders
- Validation and revision of initial findings in the light of stakeholder feedback.

The conceptual framework used in this evaluation addressed the criteria of relevance, efficiency, effectiveness, sustainability and impact. Issues concerning gender and marginalized groups were considered throughout the evaluation process.

### Main Findings & Conclusions

Overall, a health insurance related project was clearly relevant to Lao PDR. However, there were a number of weaknesses in the project design including somewhat overambitious objectives, and weak risk assessment. The involvement of four main parties (ILO, WHO, MoLSW and MoH) led to a rather complicated project which was difficult to implement. In this context, there has been considerable success in implementing project outputs.

Developments in Lao policy and institutions also led to some necessary changes in project phasing. It was originally intended (in the PRODOC) that the first phase of the project would focus on a pilot project with a proposed second phase to support the establishment of the National Health Insurance Bureau. In practice, however, the Decree establishing the NHIB was approved in December 2012 shortly after the commencement of the project. This then meant that the pilot project was delayed while national and local implementation structures were put in place. The pilot project was not able to commence until January 2015 which meant that its implementation period was much shorter than originally planned.

Conversely, the project carried out more work on supporting the NHIB, including studies of the organisational mandate of the NHIB and a range of capacity building activities. In addition, MoLSW – which is also an important stakeholder in the health insurance field - had an expectation that support provided under previous ILO projects would continue in relation to the adoption of a Social Security Law and the administrative amalgamation of the existing social security schemes (including health insurance) for civil servants and private employees under the National Social Security Fund. In response, the project also provided needed supports to MoLSW and the two implementing agencies operating under its supervision (SSO and SASS).

Given the design weaknesses, the project implementation team have done very well to implement most of the activities originally envisaged under the project. And indeed, an additional output (actuarial review) was added. One can conclude that

- immediate objective 1 was fully achieved;
- immediate activities have been completed in relation to all the specific outputs under objective 2 and the objective has been partially achieved but full implementation was arguably never realistic; and
- immediate objective 3 has been partially achieved with implementation ongoing (e.g. completion of final project evaluation and impact evaluation of pilot).

### Recommendations

#### Main recommendations and follow-up

1. In relation to project selection, ILO (Bangkok) should carry out a rigorous assessment process in order to refine (where necessary) the project design. In particular, a rigorous risk assessment should be carried out including risk mitigation. (Medium-term)

2. ILO (Bangkok) should consider whether its strengths are best served through the implementation of small-scale pilot projects. In general, ILO might be better advised to focus on its strengths in providing technical assistance at national/regional level. (Medium-term)
3. The ILO/WHO project should carry out an impact evaluation of the pilot project in Vang Vieng (already planned). (Immediate - before project completion).
4. Development partners (including insofar as possible ILO) with relevant ministries should carry out policy review of health insurance in Lao PDR in the light of the evaluation of this and other pilots to draw broader policy lessons. (Immediate – to be addressed in 2016)
5. ILO (Bangkok) should consider future support in this area in the light of this and other policy developments. This might include looking at how Lao PDR can draw on the experience of other countries in the region. ILO should also mobilise existing resources to provide inputs to ongoing policy developments, e.g. to ensure maximum relevance of the actuarial review (Medium-term)
6. In order to ensure that gender issues form an integral part of projects, ILO should ensure that such issues are fully integrated at the design stage rather than expecting these to be identified and addressed during implementation. (Medium-term)

The lessons learned focussed on project design:

1. Need for a thorough risk assessment including adequate risk analysis and risk mitigation.
2. Need to include specific gender objectives/outputs/activities in the project document.
3. ILO should deploy resources so as to maximize its strengths, in particular its

acknowledged technical expertise in the area of social protection.

Risk assessment was weak on this project and there is a need for a more thorough risk assessment of future proposals. Of course, risk assessments cannot prevent risks arising but they can identify likely risks and identify what actions can be taken to avoid them (and indeed provide guidance on whether the level of risk is acceptable).

The PRODOC makes limited reference to gender issues. If gender is to be seen as an important issue in project implementation, it is important that specific outputs and activities be identified in the PRODOC rather than expecting that these will emerge during project implementation.

Finally, this project evaluation suggests that the ILO should deploy resources so as to maximize its strengths. It is questionable whether involvement in pilot projects at a distance and without any local project staff (and where there is no in-country office) represents best use of resources. This should be born in mind in the design of future projects in this field. ILO might consider that a more regional approach would represent a better use of its limited resources and expertise.

The main emerging practice in this project was the level of capacity building (human and institutional) which was carried out with the national stakeholders. This included a series of technical workshops and the provision of scholarships on the human resources side and work such as IT development on the institutional side. The targets of these events were the national stakeholders including the MoLSW, MoH and NSSF and their management and staff, including the tripartite social partners. This capacity building has the potential to have a long-term impact though the development of national capacity in the areas of health insurance and social protection more generally. These type of capacity building activities could be replicated in different contexts.