

# Cambodia Health Equity and Quality Improvement Project

## The Challenge

Cambodia remains one of the poorest countries in the Southeast Asia region. Despite dramatic improvements in maternal and child health over the past decade, inequities persist across health outcomes by socioeconomic status, geographical areas, and between urban and rural populations. These are particularly devastating for the poor, as out-of-pocket (OOP) payments account for 60 percent of payments for health services and constitute an important source of debt and impoverishment. Approximately 6.3 percent of the population endure catastrophic spending and 3.1 percent incur debt to pay for healthcare. The impact is even greater for the elderly and disabled, 8.6 percent and 13.4 percent of whom incur catastrophic spending, respectively.

The quality of health services in Cambodia is sub-optimal, and perceived poor quality of care in certain public facilities continues to pose a challenge to access of care. Gaps remain in infrastructure, skills and competencies of health workforce, as well as the monitoring of health sector performance and evidence-based decision-making. Germany supports the Cambodian Government in improving social health protection for the poor and vulnerable groups through expanded coverage, strengthened quality, and affordability of health care services.

## Our Approach

Through a multi-donor trust fund administered by the World Bank, KfW, together with our program partners, supports the Ministry of Health (MoH) with financial and technical contributions building on the innovations and achievements supported in the Second Health Sector Support Program 2008–2016 (HSSP2), particularly the Health Equity Funds (HEFs) and Service Delivery Grants (SDGs). To ensure institutional and financial sustainability of these innovations, the program improves on their resourcing and management, following the vision of the Royal Government of Cambodia's (RGC) Third Health Strategic Plan (HSP3).

Programme Name	Cambodia Health Equity and Quality Improvement Project (H-EQIP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Programme Executing Agency	Cambodian Ministry of Health (MoH)
Target Group	The population of Cambodia, particularly the poor and vulnerable, and public health care providers (approximately 2.5–3 million people total)
Project Region	Nationwide
Duration	July, 2016– June, 2021
Financial Scope	174.20 million USD, of this: 94.2 million USD funded by the Cambodian Government, 30 million USD by World Bank IDA, 50 million USD by free-standing trust program, of which 14 million EUR contributed by Germany. Other contributing partners to the trust program include DFAT and KOICA.

## Scope of Programme

The project aims to improve access to quality health services and protection against impoverishment due to the cost of health services for targeted population groups. The three main components are:

- **Component 1: Strengthening Health Service Delivery (US\$74.2 million equivalent)**

This component expands the Service Delivery Grants (SDGs) introduced under HSSP2—block grants given to facilities, granting a degree of autonomy in making optimal use of human and financial resources to deliver services. H-EQIP transforms these grants into a mechanism for providing performance-based financing to different levels of the Cambodian primary and secondary health system. Grants given to health centers, hospitals, as well as provincial health departments strengthen management, incentivize improvements to quality of care, improve performance in capacity-building activities, and promote utilization of services.

## • Component 2: Improving Financial Protection and Equity (US\$70 million equivalent)

This component supports and expands the Health Equity Fund (HEF) system, previously supported under HSSP2, guaranteeing access to public health services for more than 3 million people through a third-party mechanism purchasing health care (and associated costs such as transport and food) for the identified poor. Building on the success of the system, H-EQIP continues to improve the quality of services, increase utilization by the poor, and ensure sustainability by transferring implementation responsibility to RGC. The HEF system is designed to evolve with changes in gov-



*A mother brings her baby to a health centre for a regular growth monitoring check-up, covered by the HEF.*

*Copyright KfW Archive/Mona Simon*

ernment policy on beneficiaries, benefit packages, and social health protection measures, also integrating successful standalone initiatives, including KfW's vouchers for reproductive health care and vulnerable groups.

## • Component 3: Ensuring Sustainable and Responsive Health Systems (US\$30.0 million equivalent)

This component supports a program of activities designed to improve supply-side readiness and strengthen the institutions that implement project activities. This includes the implementation of comprehensive

pre- and in-service training programs for health workers, equipping health facilities to meet minimum standards for obstetric and neonatal care, enhanced health service quality monitoring, improved timeliness of SDG and HEF payments, and establishment of sustainable health service purchasing arrangements. Financing for these activities is based on results tracked by annual indicators, aimed at measuring performance against health system strengthening actions. This component also finances selected civil works, identified by the MoH in its civil works plan 2016–2020, supports provision of technical and operational assistance to integrate project management into national systems, and strengthens Cambodia's monitoring and evaluation (M&E) systems in the health sector.

## Benefits and Success Factors

The global Sustainable Development Goals, to which Cambodia has committed, include a focus on universal health coverage (UHC), whereby all people receive the health care they need without suffering financial hardship. H-EQIP accelerates progress toward UHC by increasing access and utilization of services among the poor and vulnerable populations, measuring success against its ability to:

- Increase the number of health centers exceeding 60% score on the Quality Assessment
- Reduce the number of households experiencing impoverishing health spending during the year
- Reduce OOP health expenditure as percentage of the total health expenditure
- Increase the utilization of health services by HEF beneficiaries

Core principles of H-EQIP, drawn from evidence and lessons learned from HSSP2, include the financing of a part of the broader government program (HSP3), focus on results to enhance service delivery and use, and mainstreaming implementation arrangements under respective MoH departments, ensuring sustainability.

Published by

KfW Development Bank

KfW Office Phnom Penh  
No. 17 – 23, Street 306, Boeung Keng Kang I  
Phnom Penh, Cambodia  
T+855 23 223 089  
F+855 23 215 443  
kfw.phnompenh@kfw.de  
www.kfw.de/cambodia

In cooperation with

Ministry of Health, Kingdom of Cambodia



As at

August 2016

On behalf of

German Federal Ministry for Economic  
Cooperation and Development (BMZ)