The LDDHS pilot project has been in operation since 2014 and has assisted the National Committee for Sub National Democratic Development - Secretariat NCDD-S and the Ministry of Health (MoH) to test out financing mechanisms that will enable the transfer of selected primary healthcare functions across Cambodia.

LDDHS was specifically developed to support the transfer of primary public healthcare functions from central government to the district administrations. The assisted functions focused upon service provision entailing the following:

- Upkeep, maintenance, and modernization of district health centers.
- Improving and maintaining physical access to the health centers.
- Supporting 24/7 access for public health services through effective and flexible staffing.

The LDDHS project was not designed nor implemented to engage in the technical aspects of healthcare or manage healthcare personnel. The programme additionally did not examine health sector staff budgets or payrolls.

Lessons From The Field

- Proactive community planning
- Providing physical access
- Enhancing service provision 24/7
- Blending finance for Local Services
- Improved budget management through joined up actions

Reaching the Last Mile

LDDHS has enabled access to primary healthcare in remote rural areas.
The concept of function transfers is embedded within the Royal Government of Cambodia (RGC) national De-Centralization and De-Concentration policies.

During the initial phase of the D&D reform plan (IP3 - 2012-2015), RGC made significant policy and legislative advances to decentralized service provision through the implementation of functional reassignment reviews in core line ministries. The review processes provided a pathway for the RGC to transfer key identified functions to the newly capacitated Sub National Administrations (SNA’s).

To enable the national roll-out of functions, a parallel requirement of balanced and adequate fiscal transfer that covers implementation costs of the local services needed to be addressed. The success and maintenance of any functional transfer and envisaged service delivery improvement is reliant on the adequate transfer of intergovernmental conditional grants.

To assist the process of matching conditional earmarked grants for functional transfers, LDDHS, developed with RGC, a performance-based grant mechanism to support the transfer of identified health sector functions (service delivery in the context of access and building / facility maintenance).

The grant mechanism did not use the treasury system but offered a system that allows for direct transfer of grant into local government bank accounts (i.e. local government budgets). The system aligned directly to the NCDD-S implemented District and Municipal Fund (DMF) that has been developed and tested as a decentralization process to support vertical fiscal intergovernmental transfers for permissive functions.

Through the LDDHS pilot initiative local administrations (District, Municipalities, and Khan) have been provided with conditional performance-based transfers (grants) to enable them to implement a new functional responsibility the provision of primary healthcare. Through effective planning and the implementation of dedicated projects the participating local administrations have demonstrated capacity not only to maintain levels of service delivery but to enhance primary healthcare services. The implemented projects focused directly upon providing year-round access using climate reliant solutions, provide much needed 24/7 coverage in remote areas, and improving local service related infrastructure.

The pilot has proved the feasibility of transferring this function to the Sub National Authorities (SNAs) allowing the Ministry of Health to concentrate upon the technical and qualitative issues of primary healthcare.

"Leaving no one behind"

Supporting Mother and Child in Remote Areas

LDDSS has supported local administrations delivering 24/7 primary healthcare services in remote rural areas in Cambodia. This facility has provided dedicated services to safely deliver new lives, and provide post maternal care for mothers in remote areas.
LDDHS Pilot Project Initiative

The LDDHS pilot project was implemented in two provinces, Battambang and Pursat, in order to test out the transfer of permissive functions to the SNA’s in the health sector. LDDHS subsequently piloted supportive maintenance and physical installation-related projects to enhance service delivery through mechanisms of: (1) localization of budget formulation with citizen participation, (2) improving and maintaining year-long access to district health centers, and (3) providing recurrent budget support to provide 24/7 coverage at the district health centers.

The LDDHS grants were conditional and performance-based in that the district administrations have had to ensure administrative and financial compliance to administer the grants and verify their correct usage to maintain access to primary health care being delivered to their constituents.

Lessons from the field - Transferring primary healthcare functions

Blending Diaspora and Grants

The Kandieng health center provides a unique example of where local government in Cambodia has the capacity to blend funding streams to develop a quality rural health care facility.

The main health center has been re-built blending finance from a Cambodian expatriate who owned a US-based dental practice, public budget and LDDHS grant. The LDDHS grant was used to provide for the electrical installation for the new building and to construct a new high temperature incinerator and latrine facilities.

Although the use of the grant has not been directly utilized to release domestic resources, it has, through its “joined up” contributive approach, “topped” up diaspora funding to enable the construction of a modern well equipped rural health center. The health center staff with the District Administration are now forward planning the completion of a all weather access road and parking facility.

Today, local citizens in Kendieng district have access to a fully equipped health centre on a 24/7 basis.
Reaching the “Last Mile”

Boeung Bort Handol Health Centre exemplifies “the last mile” philosophy that is adopted by UNCDF to ensure full inclusivity. The Boeung Bort Handol Health Centre is located in rural countryside that is accessed by a single earthwork road. The health center is located at the end of this rural road and services a series of isolated communes.

The LDDHS grant has allowed support for the “last mile” to be realized in one of the most isolated locations in Pursat province. The health center staff cited the benefits that the new facility brings to the community through providing a level of hospitality service to patients and their immediate family members after they have made the effort to attend the center.

The LDDHS grant has been utilized to construct a reception and waiting area for patients and also the re-construction of the high temperature medical incinerator. The reception area has an extended rain protected veranda and seating.

The reception waiting area also allows for the health center to effectively display information leaflets and posters that have been developed by various health sector support projects, advocating improved levels of hygiene, vaccinations, and general healthcare.
Enhancing Service Provision
LDDHS has supported the pilot testing of health functions related to health center management, maintenance and service access. Through these three areas of activity improvement to health service provision at district level has been attained. This especially being related to ensuring the availability of health centre staff on a 24/7 basis and implementing community out-reach programmes. This has allowed for district health centers to improve service provision and support for expectant mothers and safe child births in remote rural areas.

Proactive Community Planning
The LDDHS pilot project has enhanced local development planning through the introduction of “service functions” planning and budgeting using participatory processes. The function related planning as allowed the SNAs to budget for the local provision of services that has included small scale infrastructure projects and top up of recurrent budgets to enable 24/7 staffing of the health centers. All planning and budget decisions were made through a tripartite process involving local government, health centers staff and citizens.

Providing Physical Access
Access to the district health centers in some locations is problematic during the rainy season. In districts where flooding has historically limited access, local communities have, through the introduced LDDHS planning process, identified key projects that have enabled all-year access to the District health centers participating in the LDDHS pilot. This feature has the potential not only to improve health care but to reduce costs of cleaning and maintenance of the health centers.
**Blending Finance for Local Services**

The Addis Ababa Action Agenda for financing for development has introduced a focus for LDCs to introduce blended finance mechanisms. LDDHS has supported the introduction of blended financing to support the construction of a new district health center in Kendieng District, Pursat Province. LDDHS grants “topped up” construction finance via financing the electrical installations in the new center. This has allowed the SNA to effectively manage the diaspora funding allowing it to be extended to purchase health equipment.

**Joined up Actions**

In Romlech District dual financing for the repair of the health center became available, through the LDDHS pilot project and other donor support. The district administration and local community subsequently utilized the larger aid budget to refurbish the health center and only used the LDDHS budget as a “top up facility.” This level of budget activity and local planning illustrates the capacity of local government and local communities to effectively prioritize and plan expenditure for health center management and access to health services.