



**USAID**  
FROM THE AMERICAN PEOPLE

YEAR **4** ANNUAL REPORT



**LOCAL HEALTH SYSTEM  
SUSTAINABILITY  
PROJECT**

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# INTRODUCTION

## The Local Health System Sustainability Project

The Local Health System Sustainability Project (LHSS) is a five-year (2019–2024) global activity funded by USAID as Task Order 1 under the Integrated Health Systems IDIQ contract. The project's goal is to help countries transition to sustainable, self-financed health systems as a means to expand access to universal health coverage (UHC).

Collaborating with health system partners in low- and middle-income countries, LHSS strengthens local capacity to finance, provide equitable access to, and ensure the quality of essential health care services. LHSS efforts align with USAID's Vision for Health System Strengthening 2030 and USAID's promotion of aid recipients' self-reliance and resilience.

### The project has three main objectives:



**Increase financial protection** — Reduce financial barriers through a mix of public and private interventions, so that the cost of essential health services neither prevents people from accessing them nor causes financial hardship.



**Increase population coverage** — Ensure equitable access to essential services, including for poor, underserved, and socially excluded populations. Ensure that health services are accountable for meeting all clients' needs, and that clients are satisfied with those services.



**Increase coverage of quality essential services** — Improve the quality of patient-centered services and ensure that care meets minimum standards. Ensure essential service packages are well-defined and effectively implemented.

This report highlights evidence of progress towards these objectives in Year 4, in addition to LHSS contributions to the global knowledge base.

# BY THE NUMBERS



**720**

local collaborators, grantees,  
contractors, and recipients  
of technical assistance

Supported  
health systems  
strengthening in



**27** COUNTRIES



**\$5.6M**  
AWARDED

to local partners  
through subcontracts  
and grants



**\$1.5M**  
AWARDED

across 21 grants  
to local partners  
in six countries

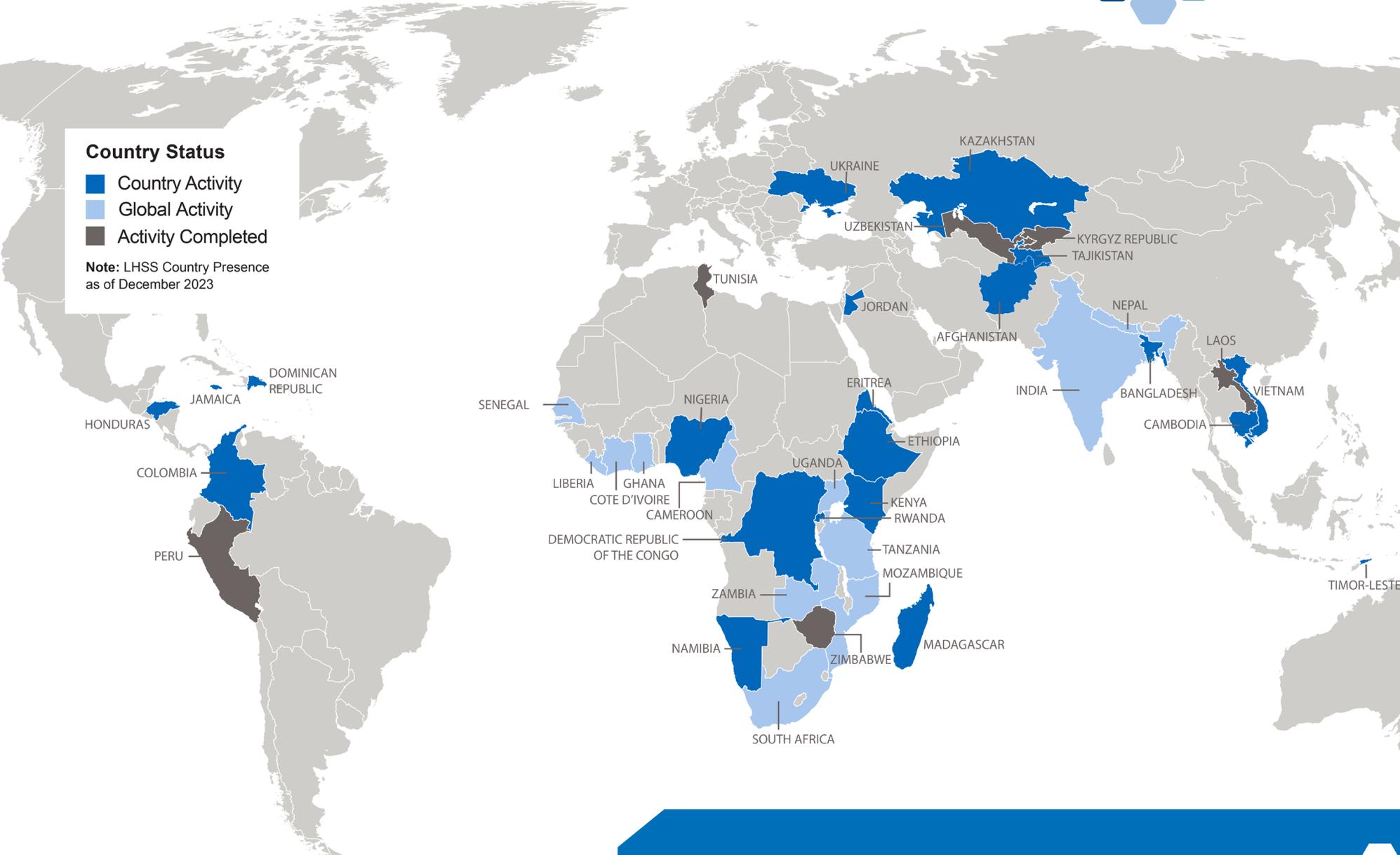
# BY THE MAP



### Country Status

- Country Activity
- Global Activity
- Activity Completed

Note: LHSS Country Presence as of December 2023





# INCREASING FINANCIAL PROTECTION

**LHSS works with countries to ensure that all people can get health services they need without experiencing financial hardship.** This means identifying strategies that reduce out-of-pocket spending and perhaps different approaches for generating revenue and ultimately using the scarce resources they have. Countries need to invest better and more resources in health, particularly primary health care, to increase resilience for the future and make further progress towards UHC. Yet the economic effects of COVID-19 and war in Ukraine mean that many countries are unlikely to be able to raise additional public resources for health in the

short term. LHSS helps countries make the best possible use of the resources they have – financial and otherwise – to meet the priority health needs of their populations.

This year, LHSS worked with countries to support planning and budgeting for health, particularly at the subnational level, and to improve resource allocation by linking plans and budgets more explicitly to health priorities. Work on improving technical efficiency also expanded, covering all parts of the health system including health financing, human resources for health, and medicines and other commodities.



## Watch Video

**Bridging the Gap in Urban Health Care:**  
*Transforming Affordable Care in Habiganj through Collaboration | Local Health System Sustainability Project (lhssproject.org)*



*“We are working quite hard to get four previously shuttered facilities renovated and repurposed to create new primary health care programs for our residents,”*

— Bogura Municipality Mayor, Rezaul Karim Badsha

## INCREASING FINANCIAL PROTECTION

Nurse Anwara Khaier Sabina examines a patient at a newly opened primary health care center in Habiganj Municipality.

Photo: Shrabanti Debnath/USAID LHSS Project-Bangladesh

## CREATIVE FUNDING MODEL HELPS CITIES EXPAND PRIMARY HEALTH CARE IN URBAN AREAS OF BANGLADESH

High-quality, community-based primary health care is the backbone of healthy families and stable communities, and a vital safeguard against public health threats. Yet, in Bangladesh, rapid urbanization combined with poor financing for public primary health care services have led to major health inequities and gaps in coverage. In a pioneering move, leaders like the Habiganj Municipality Mayor, Ataur Rahman Selim, are revolutionizing primary health care in Bangladesh by allocating their own resources to support urban primary health care and arranging for the health ministry and private partners to supplement that investment. This collaborative model applies a systems approach to primary health care provision, while reducing out-of-pocket health care expenditures for many low-income residents. With support from LHSS, health care decision makers in 10 municipalities across Bangladesh’s Sylhet and Rajshahi Divisions decided to pursue a similar approach and provide funds for primary health care activities directly from their revenue.



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*“Confronting, and reversing, the disconnect between health priorities, planning, and budgeting will be a priority in 2023.”*

— Ilich Ascarza, Director General, Office of Planning, Budget, and Modernization, Peru Ministry of Health

## INCREASING FINANCIAL PROTECTION

Staff of the Office of Planning, Budget, and Modernization gather for a photo outside the Peru Ministry of Health in Lima in March 2023.

Photo: USAID LHSS Project

## PERU ADDRESSES PROBLEM OF UNSPENT BUDGETS FOR HEALTH

Good budget execution is vital for maximizing healthcare delivery. Returning unspent funds at the end of a fiscal year hinders health programming and weakens negotiations for future budgeting. Peru's Ministry of Health (MOH) faced this issue, with significant unutilized funds each year, reducing the ability of the health system to provide quality health services and financial protection, particularly for the most vulnerable populations. LHSS worked with the MOH's Office of Planning, Budget, and Modernization to address this by strengthening sustainable local capacity. A co-assessment by MOH and LHSS identified a lack of familiarity with public financial management rules and their application in the health sector. In response, the MOH created a health budget management guide and a strategy to enhance institutional capacities to strengthen sector management, planning, coordination and improve budget flexibility. Professionalizing budgeting staff and forming a community of practice further sustain this endeavor. These efforts will help establish a positive cycle of effective spending and increased budget allocation from the Ministry of Finance.



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## INCREASING FINANCIAL PROTECTION

*Minister of Health and Social Services in Namibia, Dr. Kalumbi Shangula, and government officials celebrate the official launch of the social contracting policy on October 27, 2023.*

*Photo: USAID LHSS Project*

## SOCIAL CONTRACTING REVOLUTIONIZES NAMIBIA'S HIV RESPONSE

With LHSS's support, the MOH secured the Namibian Cabinet's approval of a social contracting policy, which aims to improve access to health care services for the country's poorest and most vulnerable populations. Many civil society organizations operate at the grassroots level and are often best suited to serve the poorest and most vulnerable members of the community, including people living with HIV. Contracting with the MOH provides these organizations with the resources needed to serve communities and removes financial barriers for patients. To build institutional capacity, LHSS is supporting the Policy and Planning Directorate and the Directorate of Finance in developing standard operating procedures for private sector and social contracting. These procedures will facilitate and guide the implementation of the social contracting policy and allow the MOH to achieve efficiencies through improved contract management.



# INCREASING POPULATION COVERAGE

**LHSS helps to address barriers that contribute to exclusion and inequitable access to health care by bridging the gap between communities, civil society, and government.** In high-migration contexts, e.g., in Latin America, strengthening networks that include government, private sector representatives, people living with HIV, migrants, and the LGBTQIA+ community is a key strategy to addressing barriers to inclusion. This year, LHSS worked to strengthen the capacity of local government and civil society organizations, providing tools to grow their outreach and serve their communities, well beyond the life of LHSS.



**Watch Video**

**Improving access to health care for migrant populations, returning Colombians, and host communities is paramount.** *Through a training at Bogotá's Hospital Samper Mendoza, LHSS.*



*“Before, we were learning as we went along. The LHSS workshops on how to create communication plans helped us create a strategy to spread information about the health system and engage more of the population. A lot of people have identified us as a community resource.”*

— Volunteer, Alianzas Solidarias

## INCREASING POPULATION COVERAGE

*Alianzas Solidarias Foundation head Dayana Reyes (left) poses with staff member María Rodríguez (center) and volunteer Andrea Escobar at the Alianzas office in Cali in January 2023.*

*Photo: Jessica Paba/USAID LHSS Project-Colombia*

## LHSS GRANT BOLSTERS CAPACITY OF LOCAL GROUP TO SERVE VENEZUELAN MIGRANTS IN COLOMBIA

Dayana Reyes established the Fundación Alianzas Solidarias in Cali, Valle del Cauca, Colombia to provide resources for internally displaced, migrant families, particularly migrant women from Venezuela. However, she encountered typical challenges faced by grassroots leaders: fundraising, volunteer coordination, and navigating local authorities. Through a grant from LHSS, the organization fortified their capabilities in governance, fundraising, stakeholder coordination, and planning. Alianzas Solidarias used the new skills to deepen connections with community-based organizations, government units, NGOs, and donors. They developed a tailored communication strategy and engaged with more than 800 migrants to help them enroll in the national health insurance system. These successes position them as trusted advocates for migrant voices, ensuring inclusivity and access to quality health care services.



[Read full story](#)



## INCREASING POPULATION COVERAGE

A midwife leads an information session with female clients at a clinic in Afghanistan in April 2023.  
*Photo: Afghan Social Marketing Organization*

## PRIVATE SECTOR PROVIDERS ADDRESS SUPPLY CHALLENGES AND RESTORE REPRODUCTIVE HEALTH CHOICE IN AFGHANISTAN

The Afghan Social Marketing Organization (ASMO) is a leading private-sector provider of family planning and maternal and child health products in Afghanistan. But the economic crisis caused by recent political conflicts and global sanctions has hampered ASMO's ability to supply vital health products across Afghanistan. In 2022, LHSS began helping ASMO recover by expanding its reach, improving product promotion, and bolstering organizational capacity. LHSS helped ASMO apply systems thinking to supply chain challenges, and in turn ASMO increased their buffer stock and procurement lead times and worked with distributors to ensure affordable prices given dynamic market changes. This revitalization helped ASMO provide 90,000 couple years of protection and treat over 100,000 diarrheal episodes. They also expanded services into 100 new markets in five provinces.



[Read full story](#)



## INCREASING POPULATION COVERAGE

Sokvanaroth Hem, a commune chief in Cambodia's Battambang Province, poses in front of a commune administrative building.  
*Photo: Sotheary Seang, USAID LHSS Project/Cambodia*

## CAMBODIA'S COMMUNES TAKE ON FISCAL RESPONSIBILITY FOR LOCAL HIV ACTIVITIES

Cambodia's Battambang Province was one of the first areas in the country to commit to using its local budget to help end AIDS by 2025. The commitment meant that local authorities would now be responsible for devoting a portion of their local budget to HIV activities. To help them prepare for this new responsibility, LHSS collaborated with Cambodia's National AIDS Authority to train Commune AIDS Committees, enhancing their fiscal planning and budgeting skills. Nine out of ten sub-districts now include HIV activities in their budgets, indicating progress. Simultaneously, LHSS with the National AIDS Authority is also building local officials' capacity to tailor interventions and engage communities -- including people living with HIV, at-risk groups, and CSOs — to promote access to testing, quality treatment, and care.



[Read full story](#)



*“Our congratulations and regards to the entire team. What you all do on a daily basis and your hard work and dedication are all very much appreciated!”*

— Zema Semungus, USAID/Timor-Leste

## INCREASING POPULATION COVERAGE

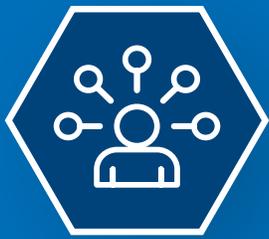
REBAS-TL Coordinator, Mr. Joaquim Freitas presents a celebratory souvenir to the H.E. President of Timor-Leste, Mr. Jose Ramos Horta as REBAS-TL marks its one year anniversary.  
*Photo: USAID LHSS Project*

## TIMOR-LESTE’S FIRST CSO HEALTH NETWORK INFLUENCES CHANGE IN ITS INAUGURAL YEAR

In 2022, a political economy analysis led by the USAID Health System Sustainability Activity in Timor-Leste revealed weaknesses in social accountability. The Activity and the MOH identified civil society organizations as potential entry points for participatory governance mechanisms to facilitate engagement and mutual trust. LHSS partnered with a CSO umbrella organization, FONGTIL, to spearhead the formation of the Timor-Leste Health Network, comprising 43 CSOs, strengthening the accountability structures in Timor-Leste to ultimately improve the quality of care the MOH provides. The Health Network’s participation in the National Annual Health Sector Review Meeting shed light on crucial health post issues ensuring that quality of care at these health posts is addressed. At the local level, member organizations engaged with health authorities, driving discussions on malnutrition, child mortality, and staffing, resulting in improvements for otherwise unrepresented populations.



[Read full story](#)



# INCREASING COVERAGE OF QUALITY ESSENTIAL SERVICES

Improving the quality of health services requires a systems-based approach that prioritizes institutional workforce strengthening, inter-sectoral networks, and optimized care and management structures for safe, efficient and people-centered care. In Jordan, LHSS collaborated with the MOH to establish a system and standards for continuing professional development of health providers. In Ukraine, LHSS helped the MOH standardize and implement a process to deploy telemedicine technologies donated by foreign companies eager to assist during the conflict. And in Vietnam, the electronic logistics management information system, established with LHSS support, is helping improve TB drug forecasting.



Watch Video 

**Community Organizations in Timor-Leste Reinforce Healthy Behaviors for Maternal and Child Health.** *The USAID Health System Sustainability Activity in Timor-Leste.*



*“I would like to extend USAID/Jordan's sincere gratitude to you and the rest of the LHSS team for the stellar implementation of the first national CPD symposium in Jordan. Your hard work and dedication on such a complex topic was key to making this event a shining success...”*

— John McKay, USAID/Jordan

## INCREASING COVERAGE OF QUALITY ESSENTIAL SERVICES

Lubna Abu Alhajja is a nursing manager in the ICU at Jordan's Al Basheer Hospital.  
Photo: Oula Farawati/USAID LHSS Project-Jordan

## JORDAN STRENGTHENS FOUNDATION FOR CONTINUING PROFESSIONAL DEVELOPMENT SYSTEM

To improve quality of care across the public and private sector, especially in maternal and child health, LHSS partnered with the Jordan MOH and other stakeholders to establish a continuing professional development (CPD) system linked to mandatory health worker re-licensure. By 2026, all health workers must fulfill CPD credit hours as part of a new license renewal process mandated by recent legislation. LHSS supported the MOH, health professional councils, and private sector to create a shared vision for the new system, affirmed through a national symposium held in July. LHSS also assisted the MOH quality directorate to lead a multi-stakeholder consultation to draft CPD standards and worked with the IT directorate to design an electronic platform for the system's business processes and select a vendor for its development.



*“The progress of the team has been impressive - especially helping the MoH and local healthcare providers to respond to the urgent needs for conflict telemedicine solutions.”*

— Paola Pavlenko, USAID Regional Mission to Ukraine

## INCREASING COVERAGE OF QUALITY ESSENTIAL SERVICES

A Ukrainian health care provider uses a cell phone to provide telemedicine services. This image has been blurred to protect the identity of the individual depicted.

## UKRAINE GOVERNMENT AMENDS LEGISLATIVE FRAMEWORK TO ADVANCE TELEMEDICINE

A landscape assessment conducted by LHSS in late 2022 revealed obstacles to the systematic development of telemedicine services. One of those obstacles, according to health care professionals, was a regulatory framework that did not account for recent health financing reforms, electronic health systems, or challenges wrought by COVID-19 and Russia's full-scale military invasion. Collaborating with stakeholders across the health system, LHSS worked with the MOH to establish the country's first interagency telemedicine working group and gain consent from multiple government agencies for legislative changes enabling telemedicine services spanning primary, specialized, emergency, palliative, and rehabilitation care. In July 2023, the Ukrainian government amended the legislative framework governing telemedicine, paving the way for the swift integration of modern telemedicine technologies into Ukraine's health care system.



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## INCREASING COVERAGE OF QUALITY ESSENTIAL SERVICES

Pharmacist Thuy Nguyen, with Vietnam's National TB Program, uses e-LMIS to consolidate national TB drug demands for 2024–2025  
*Photo: Thanh Do/USAID LHSS Project-Vietnam*

## ELECTRONIC LOGISTICS MANAGEMENT INFORMATION SYSTEM FOR TB COMMODITIES IN VIETNAM IMPROVES EFFICIENCY AND REDUCES ERRORS

In March 2022, Vietnam's National Tuberculosis Program began using a new, electronic logistics management information system (e-LMIS) developed with support from LHSS. The E-LMIS empowers health facilities nationwide to forecast drug demand, streamlining the procurement process. It also aids in averting shortages by allowing real-time monitoring of drug use and remaining stock. The system's efficiency significantly reduces manual labor and errors. This year, LHSS's partnership with the Vietnam MOH and Vietnam Social Security expanded e-LMIS access across 63 provinces and included extensive training benefiting 2,000 health staff in 955 health facilities and TB programs. The successful integration of e-LMIS underscores the pivotal role technology plays in enhancing healthcare logistics and improving health outcomes.

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## INCREASING COVERAGE OF QUALITY ESSENTIAL SERVICES

Health provider Getachew Anteneh discusses HIV/AIDS prevention with a patient in Ethiopia.

*Photo: CommForDevelopment*

## EAST AFRICA COUNTRIES IMPROVE INTEROPERABILITY OF HEALTH INFORMATION SYSTEMS TO SUPPORT BORDER HEALTH PROGRAMS

National health information systems in East Africa lack the ability to exchange health data between health authorities and health service providers across country borders, impeding evidence-based health planning, budgeting, and resource allocation. LHSS used a system thinking approach to identify the best tools to address these data fragmentation challenges and link clients to services across countries. In collaboration with the Intergovernmental Authority of Development, LHSS conducted a landscape assessment in the Djibouti/Ethiopia cross-border area focused on the digital health information system and health financing landscape. The results are guiding LHSS's work to enhance the digitization and interoperability of facility health information systems and develop health financial protection options for cross-border populations. Additionally, LHSS partnered with IntelliSOFT to install a cross-border digital health solution module in nine health facilities located on the Kenya-Uganda border. The module will enable information sharing across the health facilities, enabling better continuity and quality of care for people seeking care away from their home country.



# CONTRIBUTIONS TO GLOBAL KNOWLEDGE BASE

To advance global knowledge and practice in health system strengthening, LHSS develops evidence, guidance, and tools to equip country governments, development partners, and USAID Missions with the latest expertise on integrated health system strengthening. In Year 4, LHSS advanced its globally focused portfolio to help stakeholders target future investments. LHSS developed a curated repository of literature examining health system strengthening impact, the HSS Evidence Gap Map. We promoted the use of systems thinking tools including political economy analysis to examine the complex environment in which a health system operates, and to support the development of localized reforms. LHSS's work on career progression for community health workers aims to sustainably strengthen primary health care globally. Through several health financing activities,



LHSS offered insights on reforms related to risk pooling, priority setting, and budget execution to strengthen countries' efforts to optimize resources, a critical necessity given the financial challenges of responding to COVID-19.

## WEB-BASED TOOL

### Links to Evidence of Health Systems Strengthening Impact

This year, LHSS published the Health Systems Strengthening Evidence Gap Map (EGM), a web-based tool designed to inform adaptations to health systems strengthening approaches, guide strategic investments, and demonstrate the impact of health systems strengthening. To build the tool, LHSS first conducted a systematic evidence search to identify resources from peer-reviewed and gray literature. After the initial search and screening, we completed a full-text review with tagging, and validation of categories. The EGM is available on the LHSS website. Users can navigate the interactive EGM by selecting a question from USAID's HSS Learning Agenda and applying filters to refine their search.



[Go to the resource >>](#)

LHSS published a primer on political economy analysis (PEA) as a systems-thinking tool for supply chain practitioners to navigate complex challenges and increase the likelihood of successful reforms. PEA enables careful examination of the political, social, economic, and cultural context, providing insights into the context and the interests, incentives, and behaviors of actors. By going beyond surface-level analysis, PEA helps identify interventions that are both technically and politically feasible. The primer provides a step-by-step guide for using PEA to develop actionable interventions aligned with the contextual and political realities. While developed for supply chain practitioners, the tool has broad applicability for health systems strengthening.

## PRIMER ON POLITICAL ECONOMY ANALYSIS

### for Supply Chain Helps Practitioners Identify Interventions that are Both Technically and Politically Feasible



[Go to the resource >>](#)



# INSIGHTS ON RISK POOLING GUIDE COUNTRIES

Towards  
Larger Pools and  
Reduced Fragmentation  
in Health Finance



[Go to the resource >>](#)

To achieve UHC, countries need health financing policies that reduce reliance on out-of-pocket payments and encourage pooling of prepaid resources. LHSS developed a brief on the importance of pooling arrangements. It describes pooling reform approaches that can help countries accelerate progress toward UHC, including when their starting point is a conventional community health insurance scheme. The objective of pooling reforms is to move toward larger pools and reduce the fragmentation that occurs when multiple risk pools cover distinct groups of people. Having a smaller number of larger pools increases the diversity of health risks, enabling more redistribution of financial risk and reducing adverse selection. The brief provides practical insights, including types of reforms and examples from countries like Colombia, Kyrgyzstan, Moldova, and Thailand. Each country's health financing arrangements are different, a reminder that there is no one-size-fits-all approach to establishing pooling arrangements that promote financial protection, equity, and efficiency and advance UHC goals.

Community health workers (CHWs) are instrumental to bolstering primary health care in low- and middle-income countries. They bridge the gap between communities and formal health systems, delivering services and encouraging health-seeking behavior. However, CHWs face challenges, including lack of formal recognition, inconsistent pay, and limited career advancement opportunities, leading to demotivation and attrition. The WHO and the 2023 Monrovia Call to Action emphasize the need for clear career pathways to integrate CHWs into health systems. To strengthen community health systems, LHSS is furthering the evidence on career paths for CHWs. First, LHSS synthesized career progression models for CHWs in consultation with global and LMIC experts. We are now tailoring assistance for CHW career advancement policy and implementation working with the health ministries of Mozambique and Namibia, and a third country to be determined. Finally, we will document experiences to disseminate the findings and promote their use in policy and practice in USAID priority countries.

# CAREER PROGRESSION MODELS

Provide  
Evidence for Integrating  
Community Health Workers  
into the Health System



[Go to the resource >>](#)

# MOH LEARNING EXCHANGE

Offers Practical Guidance for Institutionalizing Explicit National Priority-Setting Processes



[Go to the resource >>](#)

While MOHs recognize the significance of priority setting, processes for setting priorities are not consistently integrated into national planning in many low- and middle-income countries. This can lead to inadequate investments in primary health care and health system strengthening. In 2021, LHSS collaborated with the Joint Learning Network for Universal Health Coverage (JLN) to launch a learning exchange for MOH practitioners from eight countries. This virtual platform aimed to identify and share promising practices for institutionalizing explicit national priority-setting processes. This year, LHSS published a learning resource providing key findings, including promising practices for institutionalization. The resource highlights stakeholder engagement and aligning priorities with budgets and plans as critical focus areas, and the need for an enabling environment, with formalized principles, government mandates, and clear roles for MOH agencies. It emphasizes the interconnectedness of factors for successful priority setting, offering practical recommendations.

Social determinants of health (SDoH) acknowledge the conditions in which people are born, grow, work, live, and age, and the wider forces and systems shaping daily life that impact a person's health outcomes. To deliver quality care effectively and equitably, clinical providers must understand this complex interplay. LHSS conducted a comprehensive review for integrating SDoH into health workforce programming in low- and middle-income countries, revealing knowledge gaps in SDoH competencies. LHSS also identified what SDoH interventions might be applied at the system, community, organizational, and patient/provider levels. To bridge the gap between agreement on the importance of SDOH competencies and the lack of consensus on how to address them, LHSS developed SDoH competencies for clinical providers with input from diverse experts. Then we developed a process guide for countries adapting competencies to foster meaningful changes in workforce education, training, and practice.

## COMPREHENSIVE REVIEW INFORMS Health Workforce Education Updates to Include Competencies on Social Determinants of Health



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