**TERMS OF REFERENCE:**

**Advancing Health Financing and Strategic Purchasing Reforms in Pakistan**
**July 2025**

**1. Background**

**1.1 National Health Support Program (NHSP)**

Pakistan’s National Health Support Program (NHSP) seeks to strengthen the equitable delivery and quality of essential health services, including reproductive, maternal, newborn, child, and adolescent health and nutrition (RMNCAH-N), at the primary health care (PHC) level. NHSP is part of Pakistan’s broader commitment to advancing Universal Health Coverage (UHC).

The NHSP is national in scope, supporting both the federal Ministry of National Health Services, Regulations and Coordination (MoNHSR&C) and the provincial governments of Khyber Pakhtunkhwa, Punjab, and Sindh. The program addresses key system-level barriers to PHC service delivery, with a particular focus on:

1. Low service readiness at both facility and community levels, particularly in meeting the differentiated health needs of women and adolescents.
2. Ineffective governance and accountability mechanisms, including limited inclusion of women in decision-making roles.
3. Inadequate financing and weaknesses in public financial management (PFM) systems.

The NHSP is a multi-partner program financed by the Government of Pakistan and several development partners, including the World Bank, the Global Financing Facility (GFF), the Gates Foundation, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and Gavi, the Vaccine Alliance. The program utilizes the World Bank’s Program-for-Results (PforR) financing instrument, which links disbursements to the achievement of agreed results, known as Disbursement Linked Indicators (DLIs). Since health is a devolved subject in Pakistan, these DLIs are primarily focused on provincial-level reforms and improvements.

**1.2 Health Financing in Pakistan**

While Pakistan has made notable initial investments in health financing reforms, including the health insurance programs (e.g., Sehat Sahulat) and limited adoption of strategic purchasing mechanisms, there remains a lack of articulated provincial-level strategies on key health financing functions such as revenue raising, pooling, and purchasing. These reforms have also largely lacked an explicit gender lens as there remains no articulated provincial-level strategy to guide revenue raising, pooling, or purchasing in ways that respond to the health financing needs of women, girls, and underserved communities. This absence of a coherent health financing reform agenda has contributed to inconsistent provincial performance in PHC delivery, including under the NHSP.

Weaknesses in public financial management (PFM) further compound inefficiencies and fiscal bottlenecks, undermining effective health service delivery. Existing PFM systems are not yet fully aligned to meet the needs of a devolved health system, where both financing and service delivery responsibilities rest with provincial governments.

Although strategic purchasing was not explicitly incorporated into the NHSP design or its key performance indicators, it has emerged as a critical health financing function necessary to achieve NHSP’s objectives. While there are no Project Development Objective (PDO) indicators or DLIs directly linked to strategic purchasing, several Intermediate Results Indicators (IRIs) are relevant. These include:

* Increased private sector and community engagement, including in lagging areas, and including in areas with significant gender-based service gaps.
* Strategy for increased private and community engagement in LHW un-covered areas in Punjab.
* Expenditure reporting procedures for contracted-out facilities (captured in the Program Action Plan), which indirectly reflect elements of strategic purchasing and improved PFM.

Large-scale contracting out of PHC services has already occurred in Sindh (e.g., to the People’s Primary Healthcare Initiative - PPHI), with smaller-scale pilots underway in both Punjab (BHU outsourcing) and Sindh (ambulance services outsourcing and possible community outsourcing). However, these shifts toward greater private sector engagement require substantial technical assistance to ensure that contracting and purchasing reforms translate into improved health system performance and better health outcomes.

**2. Objectives**

The overall objective of this technical assistance is to provide comprehensive support to provincial governments (Sindh, Khyber Pakhtunkhwa, and Punjab) in designing, operationalizing, and institutionalizing health financing reforms, with a particular focus on:

* Strengthening strategic purchasing functions.
* Building robust contract management systems for outsourced services.
* Strengthening public financial management systems for PHC
* Enhancing institutional capacity for health financing governance, oversight, and implementation.
* Facilitating national and provincial dialogue on strategic purchasing and PFM reforms, leveraging national and global expertise.
* Advance gender-responsive health financing, including the development and application of tools and processes such as gender budgeting, sex-disaggregated expenditure tracking, and equity-weighted purchasing mechanisms to better align resources with the health needs of women, girls, and other marginalized groups.
* Promote inclusive governance and accountability, by supporting the meaningful participation of women—especially frontline health workers and community representatives—in health financing decision-making, and by embedding gender equity indicators in oversight frameworks for strategic purchasing and PFM.

**3. Scope of Work**

The technical assistance will deliver support across the following core components:

*3.1 Situational Assessment and Analytical Support*

* Conduct a comprehensive diagnostic of current health financing, strategic purchasing, and PFM arrangements in each of the three NHSP provinces.
* Map existing government mechanisms for purchasing health services, including from private service providers (e.g., outsourcing, contracting-in or out), and assess institutional capacities.
* Identify key system bottlenecks, legal and regulatory gaps, institutional constraints, and areas for immediate and medium-term reform to improve purchasing of PHC services.

*3.2 Design and Strengthening of Strategic Purchasing Functions*

* Support the development or strengthening of provincial Health Financing Units (HFUs), Contract Management Units (CMUs), or Strategic Purchasing Units (SPUs) as appropriate.
* Assist in developing frameworks and operational guidelines for purchasing essential health services from public and private providers.
* Define a costed package of services at primary health care level (including a service package to align with revised EmONC guidelines), using the national, provincial and district level packages previously developed.
* Provide technical assistance for the selection/reform, design, and implementation of provider payment models for PHC services, such as capitation, case-based payments, performance-based payments, or blended models.

*3.3 Strengthening of Contract Management Systems (Punjab-specific emphasis)*

* Support provinces in the design, implementation, and oversight of contract management systems for outsourced PHC facilities (e.g., BHUs, and RHCs).
* Assist in developing comprehensive contracting frameworks, contract templates, performance management tools, and monitoring systems.
* Develop Key Performance Indicators (KPIs), accountability mechanisms, and grievance redressal procedures.
* Build provincial capacity for contract negotiation, performance monitoring, dispute resolution, and enforcement.

*3.4 Legal and Regulatory Support (Sindh-specific emphasis)*

* Support PFM-related legal frameworks, linking with strengthened institutional and financial procedures.

*3.5 Public Financial Management (PFM) Strengthening*

* Review prevailing PFM rules, systems, and processes, and propose reforms aligned with strategic purchasing and contracting mechanisms.
* Develop expenditure tracking, reporting, and budgeting frameworks for contracted and public providers.
* Provide technical inputs for PFM system redesign, including program-based budgeting, fund flows, and financial accountability measures.

*3.6 Capacity Building and Institutional Development*

* Design and deliver structured training programs, workshops, and mentoring for relevant government officials, and relevant providers, with collaboration of national and global subject matter experts to bring international best practices to Pakistan’s context.
* Build long-term institutional capacity within HFUs, CMUs, and related entities to manage health financing reforms effectively.
* Provide on-the-job technical support to government staff for operationalizing purchasing reforms.

*3.7 MEL and sustainability plan*

* Establish and execute a light but appropriate Monitoring Evaluation and Leaning component around this work and ensure a post-TA sustainability/ transition plan.

**4. Deliverables**

The consortium shall be responsible for the following deliverables:

1. Inception report and detailed work plan.
2. Situational analysis and diagnostic reports for each province.
3. Strategic purchasing frameworks and institutional design options for HFUs, CMUs, and SPUs.
4. Contract management frameworks, SOPs, KPIs, and performance management tools.
5. Public financial management reform proposals and expenditure reporting guidelines, that incorporate gender-responsive budgeting principles and sex-disaggregated expenditure tracking.
6. Capacity building plans, training materials, and workshop reports.
7. Knowledge products including policy briefs, technical notes, and presentations.
8. Quarterly progress reports and a final comprehensive technical assistance completion report.
9. The partner will also be responsible for attempting to ensure uptake of these outputs by the provinces.

**5. Duration**

The duration of this consultancy agreement will mirror the duration of the NHSP which will close in December of 2027.

**6. Reporting and Coordination**

The primary investment ownerand responsible party for this investment will be Gates Foundation investment owner for PHC in Pakistan, PHC team. As such, all financial and programmatic reporting will be done to the Gates Foundation as per the terms of the agreement.

Technical discussions will occur routinely and on an ad hoc basis with the Gates Foundation investment owner and with the World Bank NHSP task team, which will be a key consumer of the technical deliverables produced by the consortium and a thought partner as the lead institution supporting health financing reform dialogue in Pakistan. Accordingly, members of the NHSP task team may directly manage one or more activities of the consortium. Key products will be quality-assured and/or peer-reviewed by all NHSP co-financiers at a minimum, with additional external reviewers as needed.

**7. Required Qualifications**

* Demonstrated experience in health financing reforms, strategic purchasing design and implementation, and public financial management.
* Experience in health contracting, provider payment system design, and contract management.
* Proven capacity in institutional development and capacity building.
* Prior experience working with governments in LMICs, particularly federal and devolved systems.
* Access to international and national health financing experts, with demonstrated ability to bring global knowledge to country-level reforms.
* Expertise in equity and gender-responsive health financing.
* Experience in legal and regulatory frameworks in health sector governance is advantageous.