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# Building Blocks of Regulatory Effectiveness:
# Day to Day Transparency, Accountability and Simplicity

## Ministry of Public Health Streamlines the Licensing Process for Private Health Centers

Prior to 2014, obtaining a license to operate a private health center in Afghanistan was no easy task.  The license application process required more than 17 steps, starting with a *souq* writer, a market place service for those who cannot write.  Reflecting on the first time he applied for a license.  A hospital or clinic owner/entrepreneur had no idea of the requirements or process to get a license so little preparation could be done either for the process or for the build out of the facility. Worse yet it took a long time to get a license.

Since the fall of the Taliban regime, the Government of the Islamic Republic of Afghanistan (GIRoA), through its Constitution, has established the foundation for a market economy.  In this new environment, the private health sector has multiplied: in 2011-2012, 62% of total household out of pocket expenditure was spent in the private health sector. [1]  The Ministry of Public Health (MoPH) recognized the need to shift from being the only provider of services to being a regulator of all the providers of health care in the public and private sector.  To address this need, the government approved the Private Health Centers Regulation (PHCR), a new law in 2012.

To build the MoPH's capacity as the primary regulator of the health system, in December 2012, the USAID-funded Health Policy Project (HPP) conducted an assessment of the Afghan MoPH's capacity to implement the PHCR.   Much of the assessment focused on the MoPH's private sector licensing department because licensing is the center of an effective regulatory system and the gatekeeper to all private health actors.   The results showed that staff capacity of this department was weak and none had even a basic business understanding.  In addition, the licensing process lacked basic transparency: application forms and instructions, published standards and information on other requirements for operation were non-existent.   Each step

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[1] Government of the Islamic Republic of Afghanistan.  Ministry of Public Health.  2013.  *Afghanistan National Health Accounts 2011 -2012*.

of the archaic process involved the licensing department writing a letter of request to each relevant department so the applicant could physically collect necessary documents such as proof of a medical license for the hospital director.

Working with the licensing department, HPP developed a capacity building plan for licensing that started with training on what the PHCR requires in an application and what the MoPH is therefore permitted to ask. Each part of a new application form, instructions and the license form were designed with the licensing staff to build country ownership and understanding. Systems between the licensing department and those of finance, monitoring, construction, law enforcement and some non-MoPH departments, such as the Afghan Investment Support Agency (AISA), which issues business licenses, also had to be built into the application and internal work process of the department.  Even the physical space for the licensing department was renovated with fresh paint and furniture to give the office a modern look, new file cabinets were installed to organize the physical records of all private health centers in the country so information on each could be retrieved and used to build a database of licenses facilities. New computers were installed and staff trained on their use. Even the open flame burner used to heat tea water was moved away from the file storage area to avoid their damage from water or fire.  These physical changes complemented the new work processes implemented to follow the PHCR transforming the licensing department into an effective regulatory office.   The effectiveness of the licensing department is possible because its day to day operations are transparent and rules based.  This affords private health centers the opportunity to know what is expected of them and thus the basis for the MoPH to monitor the performance of private health providers and take action in cases of non-compliance.

While the MoPH still has a way to go to strengthen its regulatory effectiveness, progress is significant and sustainable because each step of the system has been designed with the PHCR as the guide and with staff input, training as each step was developed and final official adoption by the MOPH. The private health sector is very large in Afghanistan. An active working relationship between the Ministry and the private sector is essential so the private sector is confident to make the kinds of investments necessary for secondary and tertiary hospitals to be available to Afghans. The new license process is a key building block of regulatory effectiveness and the confidence the private sector seeks to build hospitals in our country.