

Document of  
The World Bank

**FOR OFFICIAL USE ONLY**

Report No: PAD886

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 9.7 MILLION  
(US\$15 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A

HUMAN DEVELOPMENT SYSTEMS STRENGTHENING PROJECT

March 25, 2014

*AFTHW*  
*Country Department AFCC2*  
*Africa Region*

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

## CURRENCY EQUIVALENTS

(Exchange Rate Effective 28 February 2014)

Currency Unit = Congolese franc  
CDF 924 = US\$1  
US\$1 = SDR 1.5474

### FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AFD	<i>Agence Française de Développement</i> (French Development Agency)
CAS	Country Assistance Strategy
CDR	<i>Centre de Distribution Régional</i> (Regional Distribution Center)
CFEF	<i>Cellule d'Exécution des Financements en faveur des Etats Fragiles</i> (Fragile State Project Coordination Unit)
CGPMP	<i>Cellule de Gestion de Projets et de Marchés Publics</i> (Procurement Management Unit)
CTB	<i>Coopération Technique Belge</i> (Belgian Technical Cooperation)
DA	Designated Account
DEP	<i>Division des Etudes et Planification</i> (Planning and Studies Directorate)
DFID	UK Department for International Development
DPM	<i>Division de la Pharmacie et du Médicament</i> (Pharmacy and Medicines Directorate)
DRC	Democratic Republic of Congo
FEDECAME	<i>Fédération des Centrales d'Approvisionnement en Médicaments Essentiels</i> (Federation of Regional Medical Stores)
FM	Financial Management
GAVI	Global Alliance for Vaccines and Immunization
GDP	Gross Domestic Product
GIS	Geographic Information System
GPE	Global Partnership for Education
HD	Human Development
HMIS	Health Information Management System
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IFAC	International Federation of Accountants
IFR	Interim Financial Report
LMIC	Low- and Middle-Income Country
MDGs	Millennium Development Goals
NCB	National Competitive Bidding
NGO	Non-Governmental Organization

OCC	<i>Office Congolais du Contrôle</i> (Congolese Office of Controls)
OP/BP	Operations Policy/Bank Policy
ORAF	Operational Risk Assessment Framework
PAO	<i>Plan Annuel Opérationnel</i> (Annual Operations Plan)
PDO	Project Development Objective
PFM	Procurement and Financial Management
PIM	Project Implementation Manual
PNAM	<i>Programme National d'Approvisionnement en Médicaments</i> (National Program for Medicine Procurement)
PNDS	<i>Plan National de Développement Sanitaire</i> (National Health Development Plan)
PROSEB	<i>Projet de Soutien à l'Education de Base</i> (Basic Education Support Project)
PRSP	Poverty Reduction Strategy Paper
SDI	Service Delivery Indicators
SDR	Special Drawing Rights
SIGE	<i>Système d'Information pour la Gestion de l'Education</i> (Education Information Management System)
SNAME	<i>Système National d'Approvisionnement en Médicaments</i> (National Medicines Management System)
SNIS	<i>Système National d'Information Sanitaire</i> (Health Information Management System)
SOE	Statement of Expenditures
SWAp	Sector Wide Approach
UCS	Use of Country Systems
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
US\$	United States Dollar
WGPP	Western Growth Poles Project
WHO	World Health Organization

Regional Vice President:	Makhtar Diop
Country Director:	Eustache Ouayoro
Acting Sector Director:	Tawhid Nawaz
Sector Manager:	Trina S. Haque
Task Team Leader:	Luc Laviolette

**DEMOCRATIC REPUBLIC OF CONGO**  
**Human Development Systems Strengthening Project**

**TABLE OF CONTENTS**

<b>I.</b>	<b>STRATEGIC CONTEXT .....</b>	<b>1</b>
	A. Country Context.....	1
	B. Sectoral and Institutional Context.....	2
	C. Higher Level Objectives to which the Project Contributes .....	7
<b>II.</b>	<b>PROJECT DEVELOPMENT OBJECTIVE(S).....</b>	<b>8</b>
	A. PROJECT DEVELOPMENT OBJECTIVE (PDO) .....	8
	B. Project Beneficiaries .....	8
	C. PDO Level Results Indicators.....	8
<b>III.</b>	<b>PROJECT DESCRIPTION .....</b>	<b>8</b>
	A. Project Components .....	8
	B. Project Financing .....	17
	C. Lessons Learned and Reflected in the Project Design.....	18
<b>IV.</b>	<b>IMPLEMENTATION .....</b>	<b>19</b>
	A. Institutional and Implementation Arrangements .....	19
	B. Results Monitoring and Evaluation .....	22
	C. Sustainability.....	22
<b>V.</b>	<b>KEY RISKS AND MITIGATION MEASURES .....</b>	<b>24</b>
	A. Risk Ratings Summary Table .....	24
	B. Overall Risk Rating Explanation .....	24
<b>VI.</b>	<b>APPRAISAL SUMMARY .....</b>	<b>25</b>
	A. Economic Analysis .....	25
	B. Technical.....	26
	C. Financial Management.....	27
	D. Procurement .....	27

E. Social (including Safeguards).....	28
Annex 1: Results Framework and Monitoring.....	30
Annex 2: Detailed Project Description .....	37
Annex 3: Implementation Arrangements.....	50
Annex 4: Operational Risk Assessment Framework (ORAF).....	71
Annex 5: Implementation Support Plan.....	77
Annex 6: Economic Analysis.....	80
Annex 7: Map of the Democratic Republic of Congo .....	102

## List of Figures

Figure 1: SDI Process for the Democratic Republic of Congo .....	43
Figure 2: Project Implementation Arrangements .....	50
Figure 3: Fund Flows .....	59
Figure 4: Overview of Human Development Impact.....	84

## List of Tables

Table 1: Project Costs and Financing .....	17
Table 2: Risk Rating and Summary Table .....	24
Table 3: Initial Series of Studies .....	48
Table 4: Risk Assessment and Mitigation Measures .....	53
Table 5: Financial Management Action Plan .....	56
Table 6: Disbursement Categories .....	60
Table 7: Action Plan for Strengthening Procurement Capacity .....	66
Table 8: Thresholds for Procurement Methods and Prior Review .....	66
Table 9: Procurement Involving International Competition .....	68
Table 10: Implementation Support Plan .....	78
Table 11: Role of Partners .....	79
Table 12: Country Experiences with GIS in Education and Health .....	88
Table 13: Summary of Distribution Margins and Taxes in Basket of LMICs .....	92
Table 14: Private Sector Patient Prices .....	93
Table 15: Public Sector Patient Prices .....	94

## PAD DATA SHEET

*Democratic Republic of Congo*

*Human Development Systems Strengthening (P145965)*

### PROJECT APPRAISAL DOCUMENT

*AFRICA*

*AFTHW*

Report No.: PAD886

Basic Information			
Project ID P145965	EA Category C - Not Required	Team Leader Luc Laviolette	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ] - Fragile States		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 17-Apr-2014	Project Implementation End Date 31-Dec-2018		
Expected Effectiveness Date 01-Sep-2014	Expected Closing Date 31-Dec-2018		
Joint IFC No			
Sector Manager Trina S. Haque	Sector Director Tawhid Nawaz	Country Director Eustache Ouayoro	Regional Vice President Makhtar Diop
Borrower: Democratic Republic of Congo			
Project Financing Data(in US\$ Million)			
[ ] Loan	[ ] Grant	[ ] Guarantee	
[ ] Credit	[ X ] IDA Grant	[ ] Other	
Total Project Cost:	15.00	Total Bank Financing:	15.00
Financing Gap:	0.00		

<b>Financing Source</b>	<b>Amount</b>
BORROWER/RECIPIENT	0.00
IDA Grant	15.00
Total	15.00

#### **Expected Disbursements (in USD Million)**

Fiscal Year	2015	2016	2017	2018	2019	0000	0000	0000	0000
Annual	0.65	5.90	4.20	3.10	1.15	0.00	0.00	0.00	0.00
Cumulative	0.65	6.55	10.75	13.85	15.00	0.00	0.00	0.00	0.00

#### **Proposed Development Objective(s)**

The proposed project development objective is to strengthen select management systems for education and health services in targeted geographic areas in the Recipient's territory.

#### **Components**

<b>Component Name</b>	<b>Cost (US\$ Millions)</b>
Component 1: Information Systems	8.44
Component 2: Systems for Safe Essential Medicines	3.71
Component 3: Analytic Products	2.85

#### **Institutional Data**

##### **Sector Board**

Health, Nutrition and Population

##### **Sectors / Climate Change**

##### **Sector**

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	34		
Education	General education sector	33		
Health and other social services	Health	33		
Total		100		

I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

<b>Themes</b>			
Theme			
Major theme	Theme	%	
Social protection and risk management	Other social protection and risk management	25	
Human development	Health system performance	25	
Human development	Education for all	25	
Public sector governance	Administrative and civil service reform	25	
Total		100	
<b>Compliance</b>			
<b>Policy</b>			
Does the project depart from the CAS in content or in other significant respects?	Yes [ ]	No [ X ]	
Does the project require any waivers of Bank policies?	Yes [ ]	No [ X ]	
Have these been approved by Bank management?	Yes [ ]	No [ ]	
Is approval for any policy waiver sought from the Board?	Yes [ ]	No [ X ]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [ X ]	No [ ]	
<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>	
Environmental Assessment OP/BP 4.01		<b>X</b>	
Natural Habitats OP/BP 4.04		<b>X</b>	
Forests OP/BP 4.36		<b>X</b>	
Pest Management OP 4.09		<b>X</b>	
Physical Cultural Resources OP/BP 4.11		<b>X</b>	
Indigenous Peoples OP/BP 4.10		<b>X</b>	
Involuntary Resettlement OP/BP 4.12		<b>X</b>	
Safety of Dams OP/BP 4.37		<b>X</b>	
Projects on International Waterways OP/BP 7.50		<b>X</b>	
Projects in Disputed Areas OP/BP 7.60		<b>X</b>	
<b>Legal Covenants</b>			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>

Hiring of independent auditor		17-Oct-2014	
<b>Description of Covenant</b>			
The Recipient shall hire the independent auditors in charge of the audits referred to in Section II B. 3 of this Schedule no later than three months after the Effective Date.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Steering Committee		17-Oct-2014	
<b>Description of Covenant</b>			
The Recipient shall create no later than three months after the Effective Date and thereafter shall maintain throughout the period of Project implementation the Project the Steering Committee.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Performance contracts		17-Oct-2014	
<b>Description of Covenant</b>			
The Recipient shall execute Performance Contracts no later than three months after the Effective Date and shall exercise its rights under the Performance Contracts in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.			
<b>Team Composition</b>			
<b>Bank Staff</b>			
<b>Name</b>	<b>Title</b>	<b>Specialization</b>	<b>Unit</b>
Dung-Kim Pham	Senior Operations Officer	Education	AFTEW
Daniele A-G. P. Jaekel	Operations Analyst	Operations	AFTHW
Maurizia Tovo	Lead Social Development Specialist	Social Protection	ECSSO
Bourama Diaite	Senior Procurement Specialist	Procurement	AFTPW
Hadia Nazem Samaha	Senior Operations Officer	Health	AFTHW
Maria L. Amelina	Senior Social Development Specialist	Demand Side Governance	SDV
Tazeem Mawji	Consultant	Operations	AFTHW
Antoine V. Lema	Senior Social Development Specialist	Safeguards/Social Development	AFTCS
Isabella Micali Drossos	Senior Counsel	Legal	LEGAM
Waly Wane	Senior Economist	Service Delivery	AFTEW

		Indicators			
Christophe Rockmore	Economist	Service Delivery Indicators	AFTHW		
Louise Mekonda Engulu	Senior Communications Officer	Communications	AFRSC		
Aissatou Diallo	Senior Finance Specialist	Finance/ Disbursements	CTRLA		
Sariette Jene M. C. Jippe	Program Assistant	Program Assistant	AFTHW		
Jeannine Kashosi Nkakala	Team Assistant	Team Assistant	AFCC2		
Saidou Diop	Sr Financial Management Specialist	Financial Management	AFTMW		
Philippe Mahele Liwoke	Senior Procurement Specialist	Procurement	AFTPW		
Johan Verhaghe	Consultant	Education	AFTEW		
Chiara Bronchi	Lead Public Sector Specialist	Public Sector Management	AFTP5		
Luc Laviolette	Sector Leader	Team Lead	AFTHD		
Lanssina Traore	Procurement Specialist	Procurement	AFTPW		
Olga Kadima	Operations Analyst	Operations	AFCC2		
Angelo Donou	Financial Management Specialist	Financial Management	AFTMW		
Sabiti Kalindula	E T Consultant	Education	AFTEW		
Lisette Meno Khonde	Consultant	Social Protection	AFTSW		
Abdoullahi Beidou	E T Consultant	National Census	DECDG		
Eric Christian Thibaut Mallard	Senior Health Specialist	Pharmaceutical Systems	HDNHE		
<b>Non Bank Staff</b>					
<b>Name</b>	<b>Title</b>	<b>Office Phone</b>	<b>City</b>		
Frank Baers	HMIS Consultant				
Olivier Wouters	Economist		London		
<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>

Democratic Republic of Congo	Katanga	Katanga Province	<b>X</b>		
Democratic Republic of Congo	Maniema	Province du Maniema	<b>X</b>		
Democratic Republic of Congo	Kasai-Occidental	Province du Kasai-Occidental	<b>X</b>		
Democratic Republic of Congo	Eastern Province	Orientale Province	<b>X</b>		
Democratic Republic of Congo	Equateur	Province de l'Equateur	<b>X</b>		
Democratic Republic of Congo	Kinshasa	Kinshasa City	<b>X</b>		
Democratic Republic of Congo	Bas-Congo	Province du Bas-Congo	<b>X</b>		

## I. STRATEGIC CONTEXT

### A. COUNTRY CONTEXT

1. **The Democratic Republic of Congo (DRC) is one of Africa's most rapidly growing economies with impressive potential.** Since 2010 economic growth has exceeded the average for Sub-Saharan Africa by two percentage points. Real GDP growth has averaged more than seven percent from 2010-2012 and reached 8.5 percent in 2013 and is projected to reach more than 10 percent by 2015. The implementation of sound macroeconomic policies and significant progress in restoring security in most of its territory has enabled this economic growth trajectory. DRC's large (71 million) and young population, its vast natural resources and large agricultural potential position it well for continued growth. Given DRC's strategic location in the Great Lakes Region bordering nine countries, the country's development trajectory could have a positive impact on the entire sub-region.

2. **DRC's economic growth potential rests on an important pillar -- human development -- which is lagging.** The recent growth trajectory has not translated into improvements in human development. The country ranks last on the Human Development Index in 2013. Sixty-three percent of the population is estimated to be poor. Poverty is gender biased: 28 percent of women have never gone to school, compared to 14 percent for men; women's participation in the workforce is at 55 percent compared to 85 percent for men. Almost half (43 percent) of children under five years are chronically malnourished. At 2.8 percent per year, the DRC has one of the highest population growth rates in Africa. At such a rate, DRC's population will double in fewer than 25 years, putting massive pressure on all sectors. Given DRC's very young age structure, high fertility rates, and low levels of modern contraceptive use, this population growth is expected to continue unabated. Approximately 46 percent of the country's population is younger than 15 years old. Furthermore, rapid population growth impedes poverty reduction due to the continuing high dependency ratio, estimated at 98 percent. Without a rapid decline in fertility, there will be no possibility of a demographic dividend for DRC.

3. **In order to translate economic growth into human development, and thus generate further growth, DRC requires strong institutions and systems.** Four decades of conflicts and mismanagement have severely weakened the country's institutions. Despite recent progress, improving public sector capacity and efficiency is one of the country's key challenges. Even some of the basic systems building blocks – such as a recent population and household census, a functioning civil registry, comprehensive inventories of physical infrastructure and robust human resource management systems – do not exist. These system weaknesses pose a risk to the sustainability of gains achieved so far. Sustainable poverty reduction and shared prosperity will heavily depend on improvements in state effectiveness.

4. **The 2006 Constitution defined DRC as a unitary but decentralized state and the provinces should be playing an increasingly important role in service delivery for human development.** However, the decentralization agenda remains unfinished. The decentralization framework envisaged the transfer of competencies in health, primary and secondary education, and agriculture to the provinces. However, the provinces have limited means to discharge their responsibilities. Despite their recent increases, provincial revenues have been consistently below the constitutionally mandated share. Weak institutional capacity and limited accountability of the

provincial authorities have impeded the delivery of basic services and have minimized the benefits expected from decentralization.

## **B. SECTORAL AND INSTITUTIONAL CONTEXT**

5. **Human development is a priority for the current government and a reasonably good policy framework is in place for education and health, less so for social protection.** The “concertations nationales” (national political consultations) held in September-October 2013 reconfirmed the government’s commitment to reforms and highlighted human development as a priority area. A thematic group exists for each of the sectors, which provides a forum to discuss and set action points; the groups include stakeholders from within and outside government. In the education sector, the government has developed an Interim Education Plan in 2012, a sector strategy this year and a three-year joint government-development partner work plan to track progress on a program of systems reforms. In health, the government produced the 2006 Health System Strengthening Strategy, which focuses on the development of integrated primary health care services; the 2010 National Plan for Health Development provides the framework for future directions. The social protection sector is not as advanced in developing a national strategy but high level officials in the ministries concerned have expressed an interest in doing so.

6. **However, DRC still invests much too little on human development.** While the share of the government budget that is allocated to education increased from 9.5 percent in 2010 to 13 percent in 2012, it still falls short of the average of 20 percent for Africa. Government allocations for health (4.6 percent of the budget) and social protection (one percent) are much too low. Budget execution in the country, including in the social sectors, is very low. In 2012, the Ministry of Public Health executed only 27 percent of its budget and nothing was disbursed for construction and rehabilitation, with only five percent of the equipment budget executed. In the three ministries<sup>1</sup> in charge of education, the execution rate reached 66.8 percent, but only 1.4 percent of the equipment budget and 26.3 percent of the construction budget were disbursed. Disbursements on salaries were considerably higher than on equipment and construction. The execution rates for World Bank financed projects in health and education were also considerably higher than the national budget execution rates in these sectors.

7. **Despite improvements in some human development indicators, considerable challenges remain.** DRC is not on track to achieve any of the Millennium Development Goals (MDGs). The education system has seen some significant improvements, but access and quality are still major challenges and the system is managed using incomplete and very slow moving information. 3.5 million children of primary school age are not in school and two million of them will never have the opportunity to enroll if there is not a significant change in educational policy and higher budgetary allocations to education. For the children attending school, the quality of education provided is low. At completion of the fifth grade, only 47 percent of pupils demonstrate minimal knowledge in French and 59 percent in mathematics. During the conflict years, when public financing was severely restricted and the state almost absent, faith-based organizations stepped in to administer state schools (*écoles conventionnées*); now some two thirds of primary school pupils attend schools managed by religious communities. The free

---

<sup>1</sup>Ministry of Primary, Secondary, and Professional Education; Ministry of Higher Education; and Ministry of Scientific Research.

primary education policy, introduced gradually since 2010 and reaching fifth grade in 2012, has not been fully effective. From 2008-2012, households spent on average one-tenth of their income per primary school student on fees and approximately one-third of their income per secondary-level student. Given the average household size of six to seven people in DRC, school fees prohibit parents from sending all their children to school. The quality and relevance of vocational education are generally low and their offer is limited.

**8. Support has been provided to various building blocks of the education system over the last decade.** All the partners have provided support for the development of the basic education strategy and the interim education plan and, this year, the national education strategy, developed with financing from the Bank, is available. The school infrastructure was devastated by decades of war and under-investment. It is of poor quality, having been built mainly by communities. With the objective of providing an appropriate learning environment to children and retain them in school, the government and a number of development partners (World Bank, AFD, DFID, UNICEF and more recently the Global Partnership for Education/GPE) have supported rehabilitation and construction of schools. The increase in the national stock of school infrastructure is a key factor explaining the rapid increases in enrollment. The current Bank-financed project developed less costly school construction techniques that are well adapted to the context in DRC and have been adopted by other partners such as AFD and the recently-approved Global Partnership for Education project. Several partners including the Bank, CTB, DFID, UNICEF and the GPE have also provided support for the purchase of textbooks. There has also been a strong focus on teacher recruitment, retention and competence, with support from AFD, Belgium, Spain, USAID, UNICEF, and the Bank. However, despite considerable increases in teacher availability, their competencies remain low. Human resource management and the system for payment of teacher salaries also remain weak.

**9. There has also been a strong focus on equity, with emphasis on the high costs to households of education and on access for girls.** USAID, DFID and UNICEF have particularly focused on gender equity and, all of the partners, on the issue of sectoral financing. The challenges of governance in the education system, which are at the root of the high school fees, are a particular focus of the more recent GPE-financed project as well as the DFID-Bank collaboration to improve procurement and financial management systems. The national information management system for education is rudimentary, very centralized and inappropriate for the geographic setting of the country. It consists of a national survey carried out once a year to produce the annual statistics report. The process has been supported in recent years by the Bank. Recently, UNESCO and UNICEF have initiated a pilot decentralization process in two provinces. The absence of a decentralized and transparent information system used for planning and reporting has severely weakened the internal accountability chain and is one of the factors that explain the disconnect between the high school fees and the low quality of education. While the building blocks outlined above are essential elements of the system, experience from DRC and elsewhere has shown that they do not guarantee learning outcomes. The government and partners in recent years have also been focusing on learning outcomes with, for example, the creation of a national commission to track learning outcomes and the introduction of performance-based contracts. Most of the focus to date has been on basic education, with the exception of the African Development Bank and Belgium which have also supported technical and vocational education.

10. **The health system has achieved some good service delivery results in areas where donor financing has been available, but the coverage and quality of interventions remain insufficient and the systems weak.** For example, the coverage of insecticide treated bed nets to prevent the transmission of malaria, a leading cause of child mortality and one of the causes of the high anemia rates in women, has increased. Despite having a widespread network of midwives who provide assistance with deliveries, maternal mortality (549 per 100,000) and under five mortality (148 per 1000) rates remain high, pointing to low quality of services.

11. **The health system has received considerable support from development partners in the last decade.** In 2011, financing from development partners represented 47 percent of the total health expenditure in DRC. Much of that focus, however, has centered on the service delivery pillar through support at the health zone level for the financing of a basic package of health services (including related drugs, rehabilitation, training, etc), with varying levels of financing depending on the development partner. The main partners financing these interventions include Canadian Cooperation, CTB, DFID, GAVI, GIZ, Global Fund, USAID, European Union, Spanish Cooperation, Swedish Cooperation, Swiss Cooperation, UNICEF, WHO and the World Bank, as well as several NGOs. Development partners have taken the approach of “adopting” a health zone and financing the inputs needed to deliver services in that area. However, harmonization and alignment between partners on levels and types of financing in health zones has been relatively weak and partner resources have been insufficient to cover the entire country. Out of the 515 health zones in the country, approximately half receive no direct support from development partners. It should be noted, however, that a high proportion of these zones are in areas where religious denominations have been running health centres. While the support for direct provision of basic health services is important, it is not sustainable without commensurate support for other pillars of the system.

12. **While low sustainability is intrinsically linked to the extremely low level of financing for health in DRC, it also points to the need to focus on all six pillars of the health system, notably (in addition to service delivery): i) information, ii) essential medicines, iii) health workforce, iv) financing, and v) stewardship.** One aspect of the system that needs upgrading is the health information management system (HMIS). Support for the planning of the new decentralized and web-based system has been provided by USAID, WHO and DFID through technical partners; these same partners and the Bank are proposing to support the roll-out nationwide. Another pillar of a health system is a well-functioning pharmaceutical supply, distribution and regulatory system. Several partners such as the European Union, GAVI, the Global Fund, USAID, Belgium, WHO, UNICEF, Canada have been supporting various aspects of the pharmaceutical system, but most partners (including the Bank) still do not use the country system to purchase and distribute the essential medicines that are used at the front lines in the basic package explained above. The Ministry of Public Health estimates that the business volume of the government procurement and distribution system in 2013 was approximately US\$15 million whereas they estimate that purchases outside the system totaled approximately US\$250 million. This circumventing of the system has undermined the technical assistance provided to date.

13. **The health workforce pillar in DRC has received less attention, although partners such as South Africa and others have supported a census of employees.** Various partners

(including the Bank) have also paid salary top-ups and financed training of health workers. Important reforms in the health workforce in DRC will be required in order to improve the system efficiency. A critical aspect of that reform will be to reduce the current workforce to numbers that are more in line with the needs and then focus on addressing barriers to motivation while enhancing skills. USAID and others are supporting the human resource information system for the Ministry, which will provide a good backbone for managing these human resources reforms. The pillar of health financing has until recently only received sporadic support that could be qualified as “islands of excellence” in various provinces and health zones. But the partners, through the partners’ health financing group led by the Bank, are consolidating this experience in support of the government’s health financing strategy and supporting the Government's desire to develop and pass a law on Universal Health Coverage to which the partners would align. For example, a number of partners are planning to address the key challenge of health work force incentives and motivation through innovative approaches such as performance-based financing. All the partners through the donor coordination group for health, which is currently chaired by UNICEF, are supporting the Ministry in its stewardship functions. Examples of the support include a Canada-Bank partnership to build capacity to develop medium-term expenditure frameworks at the provincial levels, support for the establishment of the Provincial Health Directorates and the planned DFID-Bank partnership to address key procurement and financial management bottlenecks in the sector.

**14. Current social protection programs, including safety nets, have low coverage, are fragmented and inefficient, and do not meet the needs of the poor and most vulnerable.** Although the PRSP addresses social protection, DRC does not have a comprehensive up-to-date social protection strategy. Social transfers are irregular and unpredictable. Systems for employment are weak and focused primarily on the small formal sector. The limited social protection services are concentrated in the most important cities and are offered primarily by faith-based organizations and NGOs. The services offered by public actors are marginal and of poor quality due to lack of human and financial resources. Thus, given the damaged social fabric and the chronic poverty and inequity levels in DRC, there is an urgent need for a strong system to ensure that the most vulnerable groups are enabled to become fully productive members of society. A functioning safety net system would also equip the government to respond efficiently to shocks.

**15. The government systems that deliver services to build human capital currently do not have a strong focus on efficiency.** Even the education sector which has seen significant increases in government financing levels, which supplement the sizable payments from households, is not yet producing commensurate improvements in quality, as measured by education outcomes. Only 65 percent and 57 percent of students passed the primary school exam (TENAFEP) during year six in 2006 and 2007, respectively. There are high rates of children repeating grades (e.g. 17.3 percent and 9.3 percent in years three and six, respectively) or dropping out (19.4 percent and 14.4 percent in years one and six, respectively). DRC ranks 166 for the education index. Similar quality deficits exist in health and social protection sectors, as manifested by the quantity and quality of services and by the health and poverty outcomes outlined above.

**16. DRC does not have an effective system of data collection and management to enable**

**decisions that are timely and data-driven, which is the foundation for increasing efficiency in the social sectors.** The information systems in the sectors that manage services for human development are weak, yet these are essential for improving the efficiency of investments in physical infrastructure (e.g. new constructions and repairs/maintenance), in human resources and in materials (e.g. textbooks and pharmaceutical products). None of the ministries targeted by this proposed project has a reliable system to manage its physical infrastructure. The Ministry of Primary, Secondary and Professional Education has created a special account with US\$100 million in government resources for the construction of new schools, but it has no reliable information system to guide the prioritization of these investments. Both the education and health sectors have program management information systems (SIGE and SNIS, respectively), but these are still largely centralized at the national level, produce data too slowly to contribute to decision-making and provide none of the feedback to lower levels in the systems that is critical to effective service delivery. Both ministries have recognized the need to upgrade and decentralize the systems and have developed costed plans for that purpose. Both ministries have also expressed an interest in collecting additional survey-based information to understand the main bottlenecks to effective service delivery.

**17. Each sector, in addition to cross-cutting challenges like information systems, has its own particular systems weaknesses.** As outlined above, a particularly high priority problem is the weak regulatory and supply system of essential medicines which restricts the quality of health services. A national pharmaceutical policy, strategic plan, and a national essential medicines list have been developed. Following the collapse of the previous system, a national not-for-profit pharmaceutical supply system – known under the French abbreviation SNAME was designed and established in 2002. The essential drug procurement agency - SNAME (Système national d’approvisionnement en médicaments essentiels) - is functioning as a public-private partnership with support from the international community. Implementation, development and monitoring of this system is done by the national program for provision of drugs - Programme national d’approvisionnement en médicaments (PNAM), a department within the Ministry of Public Health. Country-wide, 16 regional medical stores (CDRs) were created to distribute drugs to hospitals and public health facilities in their respective regions. These not-for-profit private entities are now all members of a federation called FEDECAME which also includes two procurement agencies (one for the Western DRC based in Kinshasa, the second one located in Goma for the Eastern DRC) providing the flow of pharmaceuticals to regional warehouses. They do not manage stocks but manage and coordinate pooled procurement. However, as outlined above most development partners have preferred to develop their own supply system. There are large differences in revolving funds and turnover between CDRs. One of the key challenges facing the supply system is the financial viability of the CDRs; most do not have sufficient cost recovery capacity. In the absence of a public supply system, a relatively strong not-for-profit private sector has been established. This system includes national and international NGOs as well as church-related institutions and their international partners.

**18. Concurrently, a large but fragmented for profit private pharmaceuticals sector has emerged, which is under-regulated.** A few manufacturers are supplying drugs of questionable or unproven quality. More than 50 small-size wholesalers exist, often coupled to a large retail pharmacy, whereas international distributors have not been able to establish affiliates in the country. At the retail level, it is estimated that there are more than 5000 illegal drug stores in

Kinshasa alone. The national regulatory authority (DPM) lacks capacity and needs to be strengthened. Quality control is done by designated laboratories. The *Office Congolais du Contrôle* (OCC) owns and manages quality control laboratories and carries out analysis of imported pharmaceuticals. The Belgian Cooperation and GAVI have provided mini-labs in some of the provinces to detect counterfeit medicines. While nationally representative data on the quality and availability of essential medicines in the markets are not available, large parts of the country (which do not benefit from donor financing) have very irregular supply of essential medicines through the public sector health facilities. Anecdotal evidence suggests that fake, substandard or counterfeit medicines are sold in the markets. The porous borders between DRC and its nine neighbors make this a regional issue. The high costs of essential medicines are also a barrier in access to medical treatment and a source of impoverishment for a considerable portion of the population, especially the poor and other marginalized population groups.

### **C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES**

19. The National Consultations held on October 2013 re-affirmed that human development is a national priority. The proposed project is consistent with the government's Poverty Reduction Strategy Paper (PRSP II). The 2012 Government Development Program defines a roadmap of the targets outlined in the PRSP II and aims to, *inter alia*, improve human development.

20. The project supports the World Bank's goals of reducing poverty and increasing shared prosperity. The systems to be strengthened have a direct link to poverty reduction through human capital formation. Mechanisms to track and address inequity in the social sectors will also be strengthened. The project is also aligned with the World Bank strategy for Africa. The project focuses on the foundation of the strategy – public sector capacity – in systems that will contribute to increased competitiveness and employment (through a well-educated and healthy work force) and to reduced vulnerability and increased resilience (through improved health and the development of a national social protection strategy).

21. The project is an integral part of the World Bank Country Assistance Strategy (CAS) for the period FY13-FY16. One of the higher level objectives of the CAS, to which this project will contribute, is to increase access to social services and to raise human development with a focus on strengthening governance and service delivery systems. The CAS has identified the following four outcomes related to that objective: increased access to clean water and sanitation; improved access to health services in targeted areas; improved access to basic education in targeted areas; and strengthened social protection. In particular, the CAS includes a Human Development Service Delivery Technical Assistance Program, which is this proposed project.

22. The higher level objective to which this project would contribute is to increase efficiency in the education and health systems in order to improve human development outcomes. Improvements in efficiency, in turn, should boost confidence in these systems and thus may lead to increase in overall investment in the social sectors.

23. In addition to linking to the human development operations in the CAS, the project will complement other IDA-financed projects, notably the Catalytic Project to Strengthen the National Statistical Institute that will co-finance the national census, and the Public Financial

Management and Accountability Project.

## **II. PROJECT DEVELOPMENT OBJECTIVE(S)**

### **A. PROJECT DEVELOPMENT OBJECTIVE (PDO)**

24. The proposed development objective is to strengthen select management systems for education and health services in targeted geographic areas in the Recipient's territory.

25. The project will strengthen two types of management systems: (i) education and health information management systems; and (ii) systems for regulation, procurement and logistics related to essential medicines. The project will focus on the national level as well as in a select number of provinces.

### **B. PROJECT BENEFICIARIES**

26. The *direct beneficiaries* of this project will include decision-makers and staff of the Ministries of Primary, Secondary and Professional Education; Public Health; Social Affairs; and Labor, Employment and Social Insurance, through a stronger evidence base to strengthen the systems for effective and efficient service delivery.

### **C. PDO LEVEL RESULTS INDICATORS**

27. The PDO level Results Indicators are:

- (a) **PDO Indicator 1:** Proportion (and number) of educational sub-provinces in targeted areas with annual plans and reports based on improved SIGE data available on the internet;
- (b) **PDO Indicator 2:** Proportion (and number) of health zones in targeted areas with annual plans and reports based on improved SNIS data available on the internet;
- (c) **PDO Indicator 3:** Proportion of priority action points in the first Service Delivery Indicators (SDI) action plan which have been completed;
- (d) **PDO Indicator 4:** Score of the capacity of the Drugs Regulatory Division (DPM) regulatory functions;
- (e) **PDO Indicator 5:** Score for the quality of procurement of essential medicines.

## **III. PROJECT DESCRIPTION**

### **A. PROJECT COMPONENTS**

28. Systems for human development in DRC require strengthening in almost all areas. This project is very selective in focusing on some of the most "foundational" system building blocks in each sector, taking into consideration the support of other development partners. While technical assistance will be provided to all four participating ministries, larger activities will be

financed for the education and health sectors because these two ministries are considerably more prepared for larger scale activities.

29. Several alternatives were explored between the government and the World Bank before the present set of interventions was chosen. The range of possibilities included strengthening human resource management systems (e.g. biometric identification of staff) in addition to those systems selected in this project, enhancing capacity for procurement and financial management, addressing cross-sectoral priorities such as child malnutrition, and supporting information management systems in social protection (in addition to health and education). The team also discussed, given the relatively small project value, whether to work in a pilot mode or to provide support for scaling up systems capacity; the latter option was chosen in order to accelerate the pace of systems reform and enable the World Bank investment to play a catalytic role. The focus on scaling up also provides better complementary support to existing and new World Bank operations in health and education than a pilot approach. While all of these priorities had been identified by the thematic working groups as areas of high need, the government and World Bank team decided to focus on just a few core technical areas to reduce project implementation complexity and take best advantage of synergies with other sources of financing.

### **Component 1: Information Systems (approx. US\$8.44 million)**

30. The overall objective of this component is to enable data-driven decision making, leading to more efficient use of resources and improved human development outcomes. The targeted ministries currently have limited reliable and timely data on which to base decisions and thus the investments are of less than optimal efficiency. The project will address that situation in the following three ways: i) by enhancing the capacity and decentralizing the information management and mapping system for education; ii) by enhancing the capacity and decentralizing the information management and mapping system for health; and iii) by generating additional information on bottlenecks to service delivery, to complement the systems in i) and ii), through two rounds of Service Delivery Indicator (SDI) surveys. The SDI surveys will complement the routine data generated by the SIGE and SNIS by focusing on the client perspective and on quality of services. The SDI action plans will also include data from these routine systems.

31. This component will also finance the provision of goods, consultant services, training and operating costs to support project monitoring/evaluation and management, with a view to ensure efficient, effective, transparent and accountable project delivery of this component of the project. Internal performance contracts will be established between the CFEF Unit and the technical units in the line ministries to incentivize timely and quality delivery of project activities. The component will also finance the project communications strategy.

#### ***Sub-Component 1.1: Education Program Information Management System and GIS School Mapping (approx. US\$3.02 million)***

32. The overall goal of this project sub-component is to improve the governance, quality and decentralization of education information and initiate education system mapping at national, provincial<sup>2</sup> and sub-provincial levels by: (i) developing a data management protocol for the

---

<sup>2</sup> Provinces of Bas Congo, Equateur, Katanga, Maniema, Orientale and West Kasai.

education system; (ii) establishment of provincial education statistics units (cellules provinciales) in targeted provinces; (iii) upgrading and decentralizing the information collection and reporting capacity of existing education structures; (iv) encouraging the utilization of data in active decision making; and v) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to encourage wider participation in the planning and management process. In selecting the project areas, priority was given to the two provinces that have been receiving support from the World Bank supervised Global Partnership for Education PROSEB project. The sub-component will focus on accelerating the decentralization and quality improvement of the information management system for education, as initiated in the provinces of Katanga and Bas Congo. The system collects and manages information on a range of parameters that are required for managing the education system (e.g. school enrollment, teachers, textbooks, etc.). The sub-component will also give a strong focus on developing more transparent systems that create stronger accountability within the Ministry of Primary, Secondary and Professional Education, as well as between the Ministry and its external stakeholders at all levels, with a particular focus at the community level.

33. This project will modernize the education information system, with the following three objectives: (i) collecting data for good planning and management of the education system; (ii) reducing the time for the collection and analysis of data, while reducing costs and thus enhancing sustainability; iii) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to strengthen the accountability chain within the Ministry and encourage wider participation in the planning and management process. The education information system will include schools managed by the government as well as those managed by non-governmental entities (as does the current annual statistics process). A critical step in setting up this new system will be the establishment of a statistical data management protocol for the education information system; this will be completed within three months of project effectiveness.

34. The proposed approach is characterized by flexible information technology that is adjusted to the realities of the current system. The plan is to use -- in addition to the current desktop computers -- tablets and smartphones. In terms of software, the Ministry is planning to use a unique database with access from a distance, via the telephone system by SMS or through the internet. The use of new information technology will enhance the role of peripheral structures, including the schools themselves, in the planning process. Rather than just gathering data for transmission to Kinshasa, the new system will provide feedback to all levels in the education system and enable them to plan based on the data.

35. The project will build on the national population and household census, partly supported through the World Bank-financed Catalytic Project to Strengthen the National Statistical Institute, which will undertake in 2014, during the mapping phase, a census of all social sector infrastructure of public interest (e.g., public and private schools, health facilities, pharmacies, pre-schools, vocational schools, shelters, etc.). The census will use geo-positioning and thus maps of the infrastructure could be linked to population figures. This project will build on the census by enabling the Ministry to develop dashboards for managing the detailed information on physical infrastructure collected from the census and thus facilitate data-driven decision making related to infrastructure investments. While the initial phase of support would focus on physical infrastructure, the project will create a platform on which other “layers” of GIS-based

information and data can be added, e.g., to manage human resources and supplies. While the World Bank is currently the largest donor to this SIGE initiative, UNESCO and UNICEF are also providing support. The joint DFID-USAID project under preparation is also expected to support this initiative.

36. The project will include the following activities: i) technical assistance for the development of the tools (data base, applications for tablets and smartphones, GIS system); ii) provision of equipment to schools and other levels in the system; iii) capacity development through training and other forms of learning; iv) dissemination of data; v) technical assistance for use of data in planning and management; vi) development of a dynamic web site for the exchange of data by the various stakeholders of the education system. This portal will contain the data base of statistical data that can be consulted at a distance as opposed to the current paper based annual statistical report. The same portal will contain mechanisms for dialogue between teachers and other stakeholders and should enable a better utilization of the data to improve the performance of the education system.

***Sub-Component 1.2: Health Information Management System (HMIS) and GIS Health Infrastructure Mapping (approx. US\$2.68 million)***

37. The overall goal of this project sub-component is to enable data-driven, quality and decentralized decision making through improved health information management and health mapping at national, provincial and operational level by: (i) upgrading the information collection and reporting capacity of existing health structures; (ii) encouraging the utilization of data in active decision making; and (iii) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to encourage wider participation in the planning and management process. The project will provide technical assistance at the central level as well as in three provinces<sup>3</sup>, both at the provincial level and at the health zone level. In selecting the provinces and health zones, priority will be given to the areas that have been receiving support from the World Bank financed health sector project. The Ministry has developed a comprehensive plan which facilitated the alignment of the donors which, in addition to the World Bank, include DFID, GAVI, the Global Fund, the Belgian Cooperation and USAID. This plan includes both public facilities as well as the facilities managed by non-governmental entities (as does the current SNIS systems). A SNIS steering committee chaired by the Secretary General of the Ministry of Public Health will ensure a coordinated management of the SNIS modernization initiative. The sub-component will also give a strong focus on developing more transparent systems that create stronger accountability within the Ministry of Public Health, as well as between the Ministry and its external stakeholders at all levels, with a particular focus at the community level.

38. The improvements in health information management and health mapping will focus on the management of health information of existing health facilities. This will be achieved by upgrading the current SNIS to a new software platform that integrates elements of HMIS and GIS, i.e., the District Health Information System (DHIS-2) software. Since DHIS-2 integrates HMIS and GIS into one package, this approach will not only improve the reporting of health information, but will also encourage its use to increase local decision making. The Ministry of

---

<sup>3</sup> Provinces of Equateur, Katanga and Kinshasa.

Public Health already has a statistical data management protocol which will remain in effect with the DHIS-2 software.

39. As outlined in sub-component 1.1, the project will build on the national population and household census, partly supported through the World Bank-financed Catalytic Project to Strengthen the National Statistical Institute, which will undertake in 2014, during the mapping phase, a census of all social sector infrastructure of public interest (e.g., public and private schools, health facilities, pharmacies, pre-schools, vocational schools, shelters, etc.).

40. In accordance with the national health development plan (PNDS), the project will promote level-specific tools to encourage utilization of data in active decision making, such as: monthly graphing of key interventions, health area mapping, health zone management and planning: health zone mapping.

41. The project will include the following activities: i) technical assistance for the development of the tools (data base, applications for tablets and smartphones, GIS system); ii) provision of equipment; iii) capacity development through training and other forms of learning; iv) dissemination of data; v) technical assistance for use of data in planning and management; vi) development of a dynamic web site for the exchange of data by the various stakeholders of the health system.

### ***Sub-Component 1.3: Service Delivery Indicator Surveys (approx. US\$2.74 million)***

42. **The project will support the government to carry out two rounds of national Service Delivery Indicator (SDI) surveys (one at the start of the project and another in year four of the project).** The surveys will be national in scope (including both public and private facilities) and will complement the information collected through the program management information systems by adopting the perspective of citizens accessing a service. The SDI process will thus provide a periodic service delivery report card on education and health care. Being part of the group of countries in Africa which are participating in the SDI process will also enable DRC to compare itself to benchmarks and to share knowledge on approaches to improve service delivery.

43. **The SDI implementation process consists of four distinct phases.** The process is designed to involve stakeholder groups in the preparatory and dissemination phases to build trust and to ensure that the approach and methods are well-understood and accepted. While the surveys will be entirely financed by the World Bank, the process will engage with all the donors for education and health. These form the basis for the information that comes from the field work. The individual steps and their activities are detailed in the following paragraphs.

44. **Building trust and precision through the consultative process.** The initial policy discussion with government and non-government stakeholders (unions, NGOs, donors) creates the context for the work. As the policy consensus matures, the technical dialogue focuses on adapting the instrument to the local context. Once the initial adaptation is completed, the instruments are piloted in a few facilities chosen for convenience and informational use. Overall, the collaborative process ensures that questions and concerns are addressed upstream.

45. **Data collection with quality assurance is done by contracting one or more third-party firms** to undertake the work based upon the detailed SDI methodology and the specific adaptations to the country context. The objective of the training is to develop the understanding of the methods, principles, and content in the interviewers and supervisors to a level consistent with high-quality data collection. The rigorous training and selection process is particularly important in the Democratic Republic of Congo, because its size and infrastructure will make supervision more difficult than in most other countries. To that end, additional or refresher training may be required.

46. **To the extent possible, the analysis is done with local partners.** Part of the SDI approach is to develop local capacity to analyze service-delivery related information. The SDI team works with the implementation partner to analyze and report the results from the survey. This provides a basis for future research and analysis by the local partners on service delivery.

47. **Disseminating results to stimulate a feedback loop.** The objective of the information release is to give information to stakeholders to enable them to demand accountability and support positive change. Results will be released to various stakeholders in content formats that are adapted to their ability to use the information. To increase the use of the information, at least of subset of the data will be anonymized and made freely and publicly available.

48. The project will include the following activities: i) technical assistance for the development of the survey tools; ii) provision of equipment to carry out the surveys; iii) capacity development through training and other forms of learning; iv) dissemination of data; v) technical assistance for use of data in planning and management; vi) development of a dynamic web site for the exchange of data by the various stakeholders.

## **Component 2: Systems for Safe Essential Medicines (approx. US\$3.71 million)**

49. The overall objective of this component is to enhance the capacity of the system that provides safe and effective essential medicines. While a well-designed national system for delivery of pharmaceutical products exists on paper in the country, it is not operating at its full intended scope or as efficiently as it could. Technical assistance is required both to reinforce the supply chain to public sector health facilities as well as the regulatory role of the government to control the quality of essential medicines in the market. This project is expected to have a catalytic role on pharmaceutical activities in DRC by tackling some key dysfunctions and bottlenecks at the central level. The project will complement other financing that has been provided by USAID, the Belgian Cooperation, GAVI, the European Union, the Government of Canada, WHO and UNICEF. The results of the work will be discussed regularly through the health coordination sub-group in pharmaceuticals of which the World Bank is a member.

50. Given the size of the country and the extent of the structural issues affecting pharmaceutical governance, the resources available through this project are not sufficient to enable a full reform of the pharmaceutical regulatory and supply systems in the country. During project preparation, a few high priority interventions aiming at building strong foundations of a sustainable pharmaceutical system were identified based on their fit with the unmet needs of the sector, their expected value for money and their expected contribution to the next World Bank-

financed health sector project in DRC and to programs financed by other donors. For instance, instead of unrealistically tackling the unregulated for profit private sector, the project will act at the central regulatory level. The component is hence divided in three sub-components targeting specific dimensions of the pharmaceutical system: (i) regulatory system strengthening; (ii) public procurement system strengthening; and (iii) public supply chain management enhancing.

51. This project will be managed in close collaboration with other development partners, in particular through the pharmaceuticals sub-group of the DRC health sector coordination group (GIBS). All these partners are likely to increasingly use the SNAME in the future (instead of setting up parallel programs as is often the case today) and will take advantage of the strengthening activities detailed in sub-components 2.2 and 2.3. WHO will also be a key stakeholder given their technical expertise in this field and the collaboration which the World Bank has with them on a global basis.

52. Success will be determined by the quality of the services delivered by the entities supported by this project (DPM, FEDECAME, PNAM). It will also be determined by the level of sustainability, of financial and managerial autonomy that the DPM and FEDECAME will have achieved by the end of the project. Lastly, success will have been achieved if development partners have gained confidence in the national pharmaceutical systems and are ready to utilize them. The rigor and the convening power of the World Bank are expected to be key success factors to convince them to do so.

53. This component will finance the provision of goods, consultant services, training and operating costs to support project monitoring/evaluation and management, with a view to ensure efficient, effective, transparent and accountable project delivery of this component of the project. Internal performance contracts will be established between the CFEF Unit and the technical units in the Ministry of Public Health to incentivize timely and quality delivery of project activities. The component will also finance the project communications strategy.

***Sub-component 2.1: Strengthening the Regulatory System (approx. US\$1.62 million)***

54. The National Medicines Regulatory Division of the Ministry of Public Health (*Division de la Pharmacie et du Médicament, DPM*) oversees the pharmaceutical sector but remains a weak institution, as it is often the case in developing countries. In addition to having weak power within the Ministry of Public Health, it has limited human resources capacity and financial support, as well as insufficient equipment and tools, which hamper its operations.

55. The project will support the recruitment of a technical assistant for an initial 12-18 month period, who will work in close collaboration with the WHO National Professional Officer responsible for essential medicines to strengthen the different regulatory functions of the DPM and accompany it in its transition to a more autonomous medicines regulatory authority. The main focus of this performance-based consultancy will be to build capacity of national staff within the DPM. The main activities will include: (i) Establishing a business plan to transition the DPM to a more autonomous regulatory authority with increased resources and financial sustainability; (ii) A feasibility study to establish a National Quality Control Laboratory and implementation of its recommendations; (iii) Training internal evaluators and inspectors using

WHO resources and new regional/continental training and excellence centers. The project acknowledges this is an area with considerable governance challenges. These challenges are better managed by having a full-time technical assistant in place for an initial 12-18 month period rather than short assignments on specific topics. The design has also taken into consideration the difficulty in the short-term to leverage a regulatory harmonization initiative at the regional (SADC) level.

56. The project will include the following activities: i) technical assistance; ii) provision of equipment; iii) capacity development through training and other forms of learning; iv) dissemination of information; v) technical assistance for use of data in planning and management; vi) provision of some equipment (e.g. computers).

***Sub-component 2.2: Strengthening the Public Procurement System (approx. US\$1.43 million)***

57. The National System for Procurement and Distribution of Essential Medicines (*Système National d'Approvisionnement en Médicaments Essentiels, SNAME*) was established in 2002 by the Ministry of Public Health as a centralized procurement process and a decentralized storage and distribution system. A not-for-profit organization called FEDECAME manages the procurement process of the national system.

58. The project will support the recruitment of a technical assistant for an initial 12-18 month period to strengthen the FEDECAME and its procurement arm, and prepare them for the expected scale-up of their purchasing activities as more partners (e.g., next World Bank financed health sector project) may use them for essential drug procurement. The main focus of this performance-based consultancy will be to develop the capacity of the national staff of the FEDECAME. It will include the following activities: (i) Establishing a realistic five year business plan which will include a scale-up of activities (assuming one or several partners will use the FEDECAME as a procurement agency) and which should reach financial sustainability after three years; (ii) strengthening the prequalification process by making it smoother and expanding the number of prequalified suppliers per item; (iii) improving the organization, quality management system and the operational management of the FEDECAME; iv) advocacy to facilitate the increase of its current rolling capital for medicine procurement.

59. The project will include the following activities: i) technical assistance; ii) provision of equipment; iii) capacity development through training and other forms of learning; iv) dissemination of information; v) technical assistance for use of data in planning and management; vi) provision of some equipment (e.g. computers).

***Sub-component 2.3: Strengthening Public Supply Chain Management (approx. US\$0.66 million)***

60. The SNAME has been established as a pyramidal distribution system organized around two to three entry points, 16 regional medical stores (Centre de Distribution Regional, CDR), 500+ health zones and around 8000 health facilities and which applies to any health commodity procured through the FEDECAME. Such a system requires well-performing financial, information and physical flows between the different layers of the system and significant

resources in terms of commodity planning and financial management at the health zone level. The PNAM is in charge of the development and promotion of this system, but the preparation mission concluded there is a need to reassess the logistics capacity of the system according to available resources and to challenge the appropriateness of the logistics system that applies to all products in all provinces.

61. The project will support the PNAM in conducting a thorough assessment of the current logistic system of the SNAME, which will challenge the “one-size fits all” approach to supplying drugs and will investigate whether it would be worth bringing some flexibility into the system. This study will be outsourced to a consulting company with significant experience in the field but also in other industrial sectors, and accustomed to working with the private sector. The main activities will include: (i) A review of the current logistics of the SNAME in a few provinces<sup>4</sup> with different patterns in order to identify strengths and weaknesses; (ii) a proposal for an alternative design on a province-basis exploring options such as cross-docking, product segmentation; (iii) a full costing of each model; and (iv) a proposal for an appropriate public-private mix for the SNAME.

62. This sub-component will also shed light on the appropriate public-private mix for the SNAME. Only not-for-profit private entities (procurement agencies and regional distribution stores) are involved in the public supply chain so far. The for-profit private sector can also play a role in providing essential medicines to public health facilities, but this is conditional on establishing a regulatory framework that ensures quality and affordability and on tackling the silo mindset which exists at every level of the supply chain.

63. The project will include the following activities: i) technical assistance; ii) provision of equipment; iii) capacity development through training and other forms of learning; iv) dissemination of information; v) technical assistance for use of data in planning and management; vi) provision of some equipment (e.g. computers).

### **Component 3: Analytical Products (approx. US\$2.85 million)**

64. The overall objective of this component is two-fold: i) to ensure that targeted ministries have access to high quality analytical products to inform decision-making and systems development; and ii) to enable DRC to learn from and share its lessons with the global community, particularly from/with other fragile and conflict-affected states. There are currently limited specialized analytical skills in the ministries and thus insufficient analytical products to inform policies and guide decisions.

65. The project will enable the targeted ministries to build the analytical basis required for informed decisions. The following initial set of studies, for an approximate value of US\$1.15 million, has been identified by the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance. The work will be coordinated through the thematic group for social protection, of which the World Bank is a member. Work programs for subsequent years

---

<sup>4</sup> Priority will be given to the provinces which will be targeted by the next World Bank-financed health sector project.

of the project will be submitted to the Project Steering Committee for approval by participating ministries.

- Vulnerability Assessment
- Review of DRC’s experience with key financial risk pooling mechanisms to provide access to health services
- Feasibility study to transform Social Promotion Centers and increase their contribution to social protection
- Labor market study focusing on skilled manual labor

66. The project will finance the hiring of consultants and related travel and meetings costs for the preparation and dissemination of the studies, as well as other forms of learning such as South-South exchanges, participation in international fora, etc.

67. This component will finance the provision of goods, consultant services, training and operating costs to support project monitoring/evaluation and management, with a view to ensure efficient, effective, transparent and accountable project delivery of this component of the project. Internal performance contracts will be established between the CFEF Unit and the technical units in the ministries to incentivize timely and quality delivery of project activities. The component will also finance the project communications strategy.

## **B. PROJECT FINANCING**

68. The proposed project will be financed by a US\$15 million Investment Project Financing (IPF), in the form of an IDA grant.

### *Project Cost and Financing*

69. The estimated costs of the project are outlined below by component. The International Development Association (IDA) is the only source of financing for this project.

**Table 1: Project Costs and Financing  
(US\$ million)**

<b>Project Components</b>	<b>Project cost</b>	<b>IDA Financing</b>	<b>% Financing</b>
1. Information Systems	8.44	8.44	100
2. Systems for Safe Essential Medicines	3.71	3.71	100
3. Analytical Products	2.85	2.85	100
<b>Total Costs</b>	15.00	15.00	100
Total Project Costs	15.00	15.00	100
<b>Total Financing Required</b>	15.00	15.00	100

### C. LESSONS LEARNED AND REFLECTED IN THE PROJECT DESIGN

70. **Importance of achieving some visible and rapid results to build momentum for reforms.** The World Development Report 2011 (WDR 2011) on Conflict, Security and Development (WDR 2011) outlines that institution building is a long-term process, but that it is important to identify some “quick wins” that are visible. While the interventions supported by this project are part of a longer term effort to improve the efficiency of systems for human development in DRC, specific attention has been given to identifying quick results that will be visible in order to build momentum for continued reforms.

71. **Including a communications strategy into project design is an effective way to reduce stakeholder risk.** A communications strategy has been designed into the project, both to ensure that the results are visible, as well as to identify and nurture champions that can continue to enable reforms in the human development sectors. The communications strategy is also expected to be a means to enhance the effectiveness of the systems inputs by creating a mechanism for demand-side governance actions and well as facilitate coordination with partners.

72. **Effective leveraging of investments from other development partners can enhance results.** The project was developed in close coordination with the development partners that are investing human development. The interventions were chosen to complement current and expected investments by other development partners.

73. **In DRC, selectivity in projects has yielded better results.** The evaluation of the previous CAS for DRC emphasized the importance of selectivity. During the preparation of this project a wide range of technical assistance needs emerged for potential support. The project has been very selective in supporting some of the most “foundational” needs.

74. **Learning from other countries to build sustainable solutions.** The assessment of the essential medicines system conducted during preparation confirmed the relative rigidity of the distribution system. The project will link to regional initiatives in order to capitalize on the numerous lessons that public supply chain officials are currently learning in Africa. Similar linkages will be established with regards to information management systems.

75. **Importance of carefully designing the on-site long-lasting technical support.** The Component 2 of the project plans to position two technical experts in the DPM and the FEDECAME for an initial period of 12-18 months. This assistance will be carefully designed as to not replace but rather build national capacity. Clear performance contracts that are sharply focused on capacity development will be developed for these assignments. This performance-based approach is meant to correct previous models of technical assistance, which have achieved mixed results.

76. **Decentralized management information systems can work in DRC, especially if they use modern information technologies.** The project draws from the experience gained through the pilot for the decentralization of the education information system (SIGE) in the provinces of Katanga and Bas Congo. This experience will be replicated by the project in other provinces of DRC, but also draw on the experience of other countries (e.g. Guatemala, Liberia) that have shown that modern information and communication technologies can significantly enhance

efficiency of data collection and enable real-time feedback on performance to peripheral levels in the system (e.g. schools and health facilities).

77. **When developing information systems, a common technology platform should be used to ensure compatibility between systems for data sharing.** The choice of software for the education and health management information systems will be made in close coordination with the relevant authorities who coordinate IT requirements for DRC, in order to ensure that the systems selected are compatible with other IT platforms in the government.

78. **A coordination unit in a powerful central ministry is required for multi-sectoral projects.** The choice of the project coordination unit - *Cellule d'Exécution des Financements en faveur des Etats Fragiles* (CFEF) - in the Ministry of Finance is based on the track record of this unit in delivering other projects. The unit has demonstrated that not only can it coordinate multi-sectoral projects but that it can also offer tailored technical assistance to the line ministries (e.g., in procurement or monitoring and evaluation) and thus contribute to the project's systems strengthening objective.

79. **The SDI methodology builds upon past experience with Public Expenditure Tracking Surveys, Quality of Service Delivery Surveys, and Staff Absenteeism Surveys.** All these surveys proved their worth, but at times they had limited activities after the release of the results. The ability to benchmark the results within a country or across countries was severely weakened by the continual change in the surveys and the lack of follow-up surveys. As in the case of the Democratic Republic of Congo, the SDI surveys are designed to be repeated to provide trends for policymaking and analysis.

80. **SDI instruments were rigorously piloted and have been used in multiple countries.** The lessons learned from the pilot surveys in Senegal and Tanzania were incorporated into the first full-scale SDI survey (Kenya 2012), then Uganda, Nigeria, and Togo. Work is ongoing in Mozambique, Niger, Senegal, South Sudan, and Tanzania for new or follow-up surveys. The SDI team continues to refine the instruments and has developed tools, such as standardized training content and data entry systems, to increase homogeneity of training and quality of data.

81. **Mapping with GIS is an iterative process.** The Government of Liberia began using mapping in 2006 to prepare its five-year health plan for rebuilding their post-conflict health system. Their use of mapping did not wait to determine exact coordinates for health facilities, but began by creating an Infrastructure Development Information System (IDIS) using "town-specific" coordinates. It is anticipated that DRC would take a similar iterative approach, building on the work that has already begun with support from partners to systematically collect health facility coordinates for approximately 100 health zones.

## **IV. IMPLEMENTATION**

### **A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS**

82. The implementation arrangements have been designed to take into consideration the multi-sectoral nature of the project, the weak capacity and coordination challenges within the Congolese public sector. Overall, as shown in Annex 3, the arrangements include a high-level

Steering Committee, the Ministry of Finance as the coordinating ministry and four line ministries as implementing agencies. This proposed model of implementation arrangements aims to strike a balance between strong inter-sectoral coordination and the sectoral autonomy required for timely and effective implementation.

83. While the Ministry of Finance will ensure the overall project oversight through the Implementation unit in charge of the Financing for Fragile States - *Cellule d'Exécution des Financements en faveur des Etats Fragiles* (CFEF) -, the implementation of the project components will be the responsibility of the designated line ministries, which are the Ministry of Primary, Secondary and Professional Education, the Ministry of Public Health, the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance.

84. To address the issue of the weak capacity of national institutions, the following arrangements will be established:

- a. **Steering Committee.** A high level Steering Committee will be officially established. The Steering Committee will be chaired by the Minister of Finance or his representative and composed of representatives from the four line ministries involved in the project. The Steering Committee will be responsible for: (i) providing overall strategic direction; (ii) approving the work plan and the annual consolidated budget; and (iii) ensuring consistency with the policies and strategies of the DRC government.
- b. **Coordination of the Project.** The CFEF Unit will be responsible for the overall coordination of the administrative and fiduciary aspects of the project, mainly tracking and reporting of results, procurement and financial management. The project components will be executed by technical services of the aforementioned line ministries. The procurement actions will be executed by the line ministries, except for activities that involve more than one ministry for which the procurement will be executed by the CFEF. The payments for all activities will be made by the CFEF.
- c. **Project Execution in the Ministry of Primary, Secondary and Professional Education.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification* – DEP) will be responsible for the technical aspects of the implementation of the education information management system as well as the GIS mapping to produce the education map. They will also be the education sector focal point for the SDI surveys, which will be implemented by the Ministry of Finance. The project procurement management unit – *Cellule de gestion de projets et de marchés publics* (CGPMP) - within the Ministry will be responsible for the procurement actions for the project. The Ministry has chosen to issue a direct agreement with UNESCO to purchase technical assistance related to the implementation of the education sector activities of this project. The different actors involved in the implementation of these education sector activities and key staff from the CFEF will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to the CFEF. The DEP unit will work closely with educational provinces and educational sub-provinces for the

technical implementation of the activities related to the education information management system and the GIS mapping to produce the education map in their areas.

- d. **Project Execution in the Ministry of Public Health.** Overall coordination will be ensured by the Secretary General. The Health Information Management System (HMIS) Division within the Ministry of Public Health will be responsible for the technical aspects of the implementation of the health information management system as well as the GIS mapping to produce the health sector map. The Division for Analysis and Planning (*Division des études et de la planification*) will be the health sector focal point for the SDI surveys, which will be implemented by the Ministry of Finance. The Division for Pharmacy and Medications will lead the activities related to reforming the regulatory environment for essential medicines. The National Program for Supply of Medications will lead activities related to the pharmaceutical supply chain. The CGPMP within the Ministry will be responsible for the procurement actions for the project. The different actors involved in the implementation of these health sector activities and key staff from the CFEF will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to the CFEF. At the provincial level, the Provincial Health Directorates (*Divisions Provinciales de la Santé*) will be responsible for the implementation of the activities related to the health information management system and the GIS mapping for the health map.
- e. **Project Execution in the Ministry of Social Affairs.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification*) within the Ministry of Social Affairs will be responsible for the technical aspects of the implementation of the studies related to that Ministry. The CGPMP unit within the Ministry of Social Affairs will undertake the procurement actions and the CFEF will make the payments. The different actors involved in the implementation of these studies and key staff from the CFEF will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to CFEF.
- f. **Project Execution in the Ministry of Labor, Employment and Social Insurance.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification*) within the Ministry of Labor, Employment and Social Insurance will be responsible for the technical aspects of the implementation of the studies related to that Ministry. The CGPMP unit within the Ministry of Labor, Employment and Social Insurance will undertake the procurement actions and the CFEF will make the payments.

### *Partnership Arrangements*

85. The project will be implemented in coordination with development partners that are financing technical assistance and other types of investments in the social sectors. Each sector has a thematic group for development partner coordination in which the World Bank is an active participant. These thematic groups were consulted during preparation and helped set the priority

areas in which the project will finance technical assistance. These same groups will also continue to be consulted during implementation; when it faces challenges that would benefit from the inputs of the partners and when it generates lessons from which all could benefit.

86. Some of the United Nations technical agencies, specifically UNESCO, the World Health Organization (WHO) and UNICEF, have been identified by the government as technical partners for the implementation of this project. Given the weak capacity in the participating ministries, this technical support is expected to enhance project performance. Care will be taken, however, to ensure that capacity is built within the ministries during implementation so as to reduce the need for such technical support over time.

## **B. RESULTS MONITORING AND EVALUATION**

87. **The project will track achievements along the results chain to ensure transparency, accountability, feedback and learning.** The project's monitoring system will provide data needed for assessing the project performance and will form the basis for the implementation support reviews carried out by the World Bank with the client and partners. Annex 1 provides the results framework including PDO indicators and intermediate outcome indicators. Results monitoring at the PDO level will concentrate on changes in utilization of data for planning and decision making and in improvements in the effectiveness of the system for regulating and supplying essential medicines. Intermediate results indicators will focus on improvements in systems capacity.

88. **The CFEF in the Ministry of Finance will have overall responsibility for monitoring and evaluation of the project.** The unit will rely on information generated by the line ministries for the activities under their purview. Given the weak capacity for monitoring and evaluation in some of the line ministries, the CFEF will also provide technical assistance to the line ministries in this area as required, to ensure robust results tracking and to build capacity for the ministries to undertake this function on their own in the future. The Project Implementation Manual provides details on the frequency and type of results reporting for the project. Results reports for the overall project will be produced every six months; they will be reviewed by the Steering Committee as well as by the World Bank during implementation support missions. Most of the indicators data will be gathered by the ministries themselves, except for two independent surveys at years three and five of the project. The survey data will complement routine data as a basis for the project mid-term review and for the final project implementation completion report. The independent surveys will be commissioned by the CFEF.

89. **An important function of the monitoring system will be to generate feedback to the line ministries on performance.** The regular results reviews, which will be based on the data generated by the monitoring system, will generate lessons that will be shared across participating ministries through the Steering Committee meetings, thus facilitating cross-sectoral learning.

## **C. SUSTAINABILITY**

90. **Political sustainability** -- The sustainability of the project's outcomes will depend largely on the continued government commitment to service delivery reforms for human development. This has been flagged as a risk in the Operational Risk Assessment Framework

(ORAF), Annex 4. The project was designed to address key bottlenecks that are considered by the ministries to be high priorities for their respective reforms: (i) information management systems for data-driven decision-making; (ii) systems to increase the safety reliability and cost-effectiveness of essential medicines; and (iii) key analytical studies to inform the development of a national social protection strategy. This targeting of areas of high priority for the ministries places the project on a stronger sustainability footing from the start. Component 1 (Information Systems) will also enable communities and civil society to access data on service delivery in a form that they understand and thus will build a “demand-side pull” for sustained reforms in service delivery. The communications strategy will also engage a range of internal and external stakeholders to enhance political sustainability.

91. **Financial sustainability** -- As outlined in the economic analysis, the project also places a premium on financial sustainability. This will involve selecting equipment and software that are fit for purpose and developing plans upfront for equipment maintenance and eventual replacement. Plans will be developed to ensure that financing is available to replace the equipment in a systematic manner, based on industry standards for the life of IT equipment. The activities in Component 2 to enhance essential medicine systems are highly focused on rendering the currently fledging system sustainable. Both the business plans for the FEDECAME and for the DPM will aim primarily to enhance the sustainability of these systems. The deficiencies exhibited by the national medicines regulatory authority are driven by a lack of resources, and there is an opportunity to develop a new operating model with increased resources, and enhanced financial autonomy. In a similar manner, the FEDECAME has progressed technically, but there is no guarantee that its current operations model will ever break-even financially; there is also a need to develop a realistic plan to define a sustainable business.

92. **Management sustainability** – This project is entirely focused on building the capacity of government systems to carry out core functions which are currently either non-existent, under-performing, or delivered by parallel systems. The project will be implemented (planning, procurement, financial management, results tracking) entirely by government structures (as opposed to project implementation units). As needed, some external expertise will be retained on a contractual basis to transfer capacity to government employees. Most of the project activities focus on building capacity of staff and ensuring they have the tools required to deliver key functions. The central technical units will design the training programs and will lead their delivery. This is likely to build stronger ownership and lead to higher management sustainability than other approaches where international firms are hired to deliver outcomes, often with too little involvement of government staff.

## V. KEY RISKS AND MITIGATION MEASURES

### A. RISK RATINGS SUMMARY TABLE

**Table 2: Risk Ratings Summary**

<b>Risk Category</b>	<b>Rating</b>
<b>Stakeholder Risk</b>	<b>Substantial</b>
<b>Implementing Agency Risk</b>	
- Capacity	<b>Substantial</b>
- Governance	<b>High</b>
<b>Project Risk</b>	
- Design	<b>Substantial</b>
- Social and Environmental	<b>Low</b>
- Program and Donor	<b>Substantial</b>
- Delivery Monitoring and Sustainability	<b>High</b>
<b>Overall Implementation Risk</b>	<b>High</b>

### B. OVERALL RISK RATING EXPLANATION

93. The Overall Risk for this project is considered to be “High”, driven mainly by the country risk, the weak capacity of the client, and the number of direct stakeholders. The current positive climate for reform in the country (e.g., the recent national political consultations), albeit fragile, should mitigate some risks. The project builds on ongoing dialogue which is taking place either as part of donor coordination mechanisms or as part of the preparation of other World Bank-financed projects, which should reduce program incoherence and donor misalignment risks. Despite working across three sectors, the design has been kept as simple as possible, taking into consideration the capacity in DRC. This project also builds on several years of engagement by the World Bank (including through considerable investments in education and health) thus drawing on the World Bank's knowledge of these sectors.

94. The risks related to the targeted ministries’ low implementation capacity as well as the (high) fraud and corruption risks become more important factors during implementation. The fragility which DRC is facing is also more of a risk during implementation than during preparation. For example, a change in political leadership could dampen the interest in reforms and reduce the incentives for using information systems for decision-making. A project such as this one that involves four targeted ministries also runs the risk of poor coordination among the ministries and the emergence of rivalries. One of the project activities (GIS system) will build on work supported by another World Bank-financed project and thus run the risk of delays if that project encounters implementation difficulties. Finally, increased efficiency in the systems should increase transparency, which may pose a political economy risk as some actors may lose rent seeking opportunities.

## VI. APPRAISAL SUMMARY

### A. ECONOMIC ANALYSIS

95. **Development Impact** -- Investments in human development are necessary for DRC to sustain its economic development and maximize its growth potential. Investments in health, education, and social protection save lives, strengthen labor markets, stimulate economic growth, reduce poverty, and promote global security. For the present project, it was not feasible to conduct a cost-benefit analysis, as many of the gains will be indirect systems benefits which will lead to more efficient delivery of services. Instead, for each project component, the analysis explores the existing policy and sector environments, the anticipated efficiency gains from the project tasks (relative to the current system), and the available economic evidence from similar projects in other settings. The analysis focuses on the cost-effectiveness of the technical assistance, which aims to maximize the quantity and quality of services provided per unit of investment of public financial resources.

96. Overall, this project is economically justified and is expected to yield substantial gains in efficiency (refer to Annex 6 for the full economic analysis).

97. **Component 1:** The development of robust data platforms is essential for informed decision-making and better service delivery at all levels of the education and health systems. This component will allow policymakers to: (i) rationalize the construction of new facilities based on objective metrics; (ii) promote the efficiency and quality of service delivery through specific work plans to address key bottlenecks; and (iii) support collaborative stakeholder engagement. The project will support well-performing financial and information flows between the different layers of the education and health system. This will enable evidence-based reform and micro-planning which should generate sizable efficiency gains.

98. Although evaluations of returns on investments in education and health are methodologically challenging, there is a consensus that investments in the knowledge economy and health systems boost productivity. A meta-analysis of studies in high-, middle-, and low-income countries found that for each additional percentage point increase in school enrolment rates there was a 1-3 percent increase in per capita GDP; an additional year of secondary education in the population stimulated a growth in excess of one percent in per capita GDP. In most of these studies, the quality of education was more strongly correlated with growth than the school participation rates or length of schooling. Studies have also estimated that the return on investment in education systems in various developed and developing countries ranges between 7-12 percent. Health studies have concluded that a few, targeted health interventions, among which include strengthening IT infrastructure, could save millions of lives each year, significantly boost productivity, and help bring individuals and families out of poverty.

99. **Component 2:** Fragmented and inefficient procurement systems and distribution mechanisms lead to high retail drug prices and low availability; these findings are subject to substantial variation across regions and private/public outlets. Even moderate efficiency gains should lead to significant cost and access improvements.

100. Strengthening the regulatory system, public procurement mechanisms, and public supply

chain management will help guarantee a steady supply of essential medicine, support equitable distribution patterns, maintain low retail prices, and safeguard quality standards.

101. In some cases, inefficient procurement and distribution systems can result in medicines prices that are as high as 129 times the international reference prices; these findings are subject to substantial variation across regions and private/public outlets. The implementation of appropriate regulation can therefore contribute significantly to price reductions and more equitable access. Even moderate efficiency gains are expected to have substantial cost and access implications. Fuel Africa, a medical products distribution company, conservatively estimated that improvements to logistics and inventory management system could reduce total pharmaceutical expenditure by US\$162-324 million annually in Sub-Saharan Africa.

102. **Component 3:** Improved analytical methods will enable DRC to better meet the needs of the most vulnerable members of society, safeguard good coordination and management of the project, and share its lessons with the global community. Defining the target groups for the intervention will allow the government to develop a national protection strategy. Efficiency gains and improved management and analytical capacities, in turn, should boost confidence in these systems and incentivize the government and other donors to increase investments. A strong and well-targeted social protection strategy could also reduce social instability.

103. **Appropriateness of Public Sector Provision or Financing --** One of the outcomes of decades of conflict and instability in DRC is the privatization of education, health, and social protection services. The poor status of human development in the country is a result of pervasive market failures. Investing in ICT systems and other public sector management systems will enable the government to play a critical role in resource distribution to contribute to correcting salient market failures.

104. **World Bank Value Added --** International organizations are essential in conceiving development norms and establishing regulatory frameworks for policy implementation. The World Bank is well placed to provide the necessary technical assistance and to support government ownership of these reforms. The comparative advantages of the World Bank in advancing the human development agenda include: its impartiality, capacity to engage diverse groups in open dialogue, normative functions, and extensive networks of expertise.

## **B. TECHNICAL**

105. **The design of this project builds on several years of World Bank investment in the education, health and social protection sectors in the country as well as the experience of development partners.** The technical quality of the project is based on specific studies (e.g. on the pharmaceutical supply chain) as well as the knowledge of the political economy of reforms in DRC gleaned from studies as well as the World Bank's learning through its ongoing engagement in the sector. All of the project components were developed through a consultative process that started with the design proposed by the client and was complemented by inputs from partners. In some cases (e.g., the health and education management information systems and the pharmaceutical systems) the design emerged from a series of workshops to review country experience in these areas. The selection process for the studies to be supported in social

protection sector involved multiple stages of consultations to ensure that these studies address priority bottlenecks to systems development. As a result of these participatory processes, potential stumbling blocks were identified and addressed in project design.

106. **The project design draws on lessons generated from interventions in other similar environments.** A number of countries in Africa and elsewhere have modernized and decentralized their information management systems and are increasingly using GIS technology for mapping of physical infrastructure and other elements of the system. The project has drawn from that experience. Similarly, the project has benefited from the experience to date in implementing Service Delivery Indicator surveys in several countries in Africa. The World Bank's experience and that of its partners in regulatory monitoring of essential medicines and in supply chain strengthening in Africa and elsewhere were also leveraged for the design of this project. The project has drawn particularly on the World Bank's experience in developing approaches that integrate the private sector and on regional harmonization of pharmaceutical regulation in Africa.

### **C. FINANCIAL MANAGEMENT**

107. In accordance with the Financial Management Manual issued on March 2010, the project's financial management arrangements have been reviewed to determine whether they are acceptable to the World Bank with consideration for the country's post conflict situation. The proposed project will follow an approach similar to the arrangements in place for the current World Bank-financed Western Growth Poles Project implemented by CFEF under the Ministry of Finance that will be strengthened by the additional mitigations measures described below. The overall FM risk at preparation is considered Substantial. The proposed financial management arrangements including the mitigation measures for this project are considered adequate to meet the World Bank's minimum fiduciary requirements under OP/BP10.00.

108. The review revealed that the following actions needed to be completed (i) the updating of the CFEF's existing manual of procedures to capture the specificities of the new project, ensure adequate ownership by the new stakeholders, and strengthen the anti-corruption aspects; (ii) the recruitment of one additional accountant dedicated to the new project; (iii) the configuration of the existing version accounting software acquired under WGPP's financing to reflect the new project specificities; (iv) the revision of the ToRs of the current internal auditor to reflect the new project specificities; and (v) the recruitment of an independent external auditor in compliance with acceptable Terms of Reference.

109. FM arrangements are described further in Annex 3.

### **D. PROCUREMENT**

110. Procurement rules and procedures: Procurement activities under this project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods, works and non-consulting services; and the World Bank's "Guidelines: Selection and Employment of

Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services, and the provisions stipulated in the Financing Agreement. Further, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 will apply.

111. The procurement activities under this project will be carried out at two levels: the Coordination Unit (CFEF Unit) level and the line ministries level. At the Coordination (CFEF) Unit level the procurement activities will be handled by the Procurement Management Unit named CGPMP (Cellule de Gestion des Projets et Marchés Publics) of the Ministry of Finance. Procurement carried out by the CGPMP of the Ministry of Finance will consist of procurement functions for cross-sectoral activities. The CGPMP of the Ministry of Finance will benefit from needed support and technical assistance from the Procurement Unit of the CFEF within the Ministry of Finance.

112. At the line ministries level, procurement activities for each component of the project will be carried out within the line ministry by the Procurement Management Unit named CGPMP (*Cellule de Gestion des Projets et Marchés Publics*) that reports to the General Secretary of the said line ministry. To strengthen the capacity of the CGPMPs a procurement expert will be recruited to provide periodically technical support and training to the CGPMPs. Given the country risk and the fact that the procurement activities of the project will be carried out by some CGPMPs with no experience in implementing World Bank-funded projects, the procurement risk is rated as High.

113. The detailed project procurement arrangements are shown in Annex 3.

#### **E. SOCIAL (INCLUDING SAFEGUARDS)**

114. The long term social benefits are expected to be nationwide. Potential social benefits would include, but are not limited to: enhanced planning and delivery of education, health and social protection services at national level and local level; improved public and private planning of education, health and social protection services; job security; induced development; improvement in the safety and quality of education, health and social protection services. The project will benefit children, women, men and elderly and the physically challenged by responding to their education, health and social protection planning needs.

115. Institutional capacity building at national, provincial and sub-provincial levels is the focus of the project. No social safeguards policies have been triggered for this project. There will be no civil works, nor investments that would induce social exclusion.

#### *Environment (including Safeguards)*

116. The environmental project rating is Category C. Institutional capacity building at national, provincial and sub-provincial levels is the focus of the project. No environmental safeguards policies have been triggered for this project. There will be no civil works. Enhanced

planning may contribute to enhanced work environment and protection, to the benefits of education, health and social protection service clients.

## ANNEX 1: RESULTS FRAMEWORK AND MONITORING

**Country: Democratic Republic of Congo**

**Project Name: Human Development Systems Strengthening (P145965)**

### Results Framework

#### Project Development Objectives

PDO Statement

The proposed project development objective is to strengthen select management systems for education and health services in targeted geographic areas in the Recipient's territory.

**These results are at** | Project Level

#### Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Proportion (and number) of educational sub-provinces in targeted areas with annual plans and reports based on improved SIGE data available on the internet	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	70.00	80.00	90.00	Annually	Report of the Cellule d'execution des Financements en faveur des Etats Fragiles (CFEF) Unit, Ministry of Finance,	Ministry of Education (DEP)/ CFEF Unit, Ministry of Finance

										Web site of the Ministry of Education (EPSP)	
Proportion (and number) of health zones in targeted areas with annual plans and reports based on improved SNIS data available on the internet	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	70.00	80.00	90.00	Annual	Report of the CFEF Unit, Ministry of Finance, web site of the Ministry of Public Health	Ministry of Public Health (SNIS Unit) / CFEF Unit, Ministry of Finance
Proportion of priority action points in the first Service Delivery Indicators (SDI) action plan which have been completed	<input type="checkbox"/>	Percentage	0.00	0.00	0.00	50.00	70.00	80.00	Tracked every 6 months starting year 2	Report of the CFEF Unit, Ministry of Finance	CFEF Unit, Ministry of Finance
Score of the capacity of the Drugs Regulatory Division (DPM) regulatory functions	<input type="checkbox"/>	Number	TBD	TBD	TBD	TBD	TBD	TBD	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Public Health (DPM) / CFEF Unit, Ministry of Finance
Score for the quality of procurement of	<input type="checkbox"/>	Percentage	TBD	TBD	TBD	TBD	TBD	TBD	Annual	Report of the CFEF Unit,	Ministry of Public Health (FEDECAME)

essential medicines										Ministry of Finance	/CFEF Unit, Ministry of Finance
---------------------	--	--	--	--	--	--	--	--	--	---------------------	---------------------------------

### Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Proportion of territory which is covered by a GIS-based education map system in the targeted areas	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	70.00	80.00	90.00	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Education (EPSP/DEP)/ CFEF Unit, Ministry of Finance
Proportion of territory which is covered by a GIS-based health map system in the targeted areas	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	70.00	80.00	90.00	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Public Health (SNIS Unit) / CFEF Unit, Ministry of Finance
Number of health and education workers trained on information management systems in targeted areas	<input type="checkbox"/>	Number	0.00	1185.00	1490.00	2220.00	2480.00	2480.00	Every 6 months	Report of the CFEF Unit, Ministry of Finance	Ministries of Primary, Secondary and Professional Education and of Public Health / CFEF Unit, Ministry of Finance
Number of	<input type="checkbox"/>	Number	0.00	0.00	1.00	1.00	2.00	2.00	Annual	Report of	CFEF Unit,

action plans developed based on Service Delivery Indicators (SDI) surveys and disseminated										the CFEF Unit, Ministry of Finance	Ministry of Finance
Business plan for a more autonomous essential medicines regulatory authority developed and disseminated	<input type="checkbox"/>	Number	0.00	0.00	1.00	1.00	1.00	1.00	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Public Health (DPM) /CFEF)Unit, Ministry of Finance
Business plan for the FEDECAME developed and disseminated	<input type="checkbox"/>	Number	0.00	0.00	1.00	1.00	1.00	1.00	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Public Health (FEDECAME) / CFEF Unit, Ministry of Finance
Action plan to optimize logistics of essential medicines in targeted provinces developed and disseminated	<input type="checkbox"/>	Number	0.00	0.00	1.00	1.00	1.00	1.00	Annual	Report of the CFEF Unit, Ministry of Finance	Ministry of Public Health (PNAM) / CFEF Unit, Ministry of Finance
Number of studies supported by	<input type="checkbox"/>	Number	0.00	0.00	4.00	5.00	6.00	7.00	Annual	Report of the CFEF Unit,	Ministries: i) Social Affairs and ii)

Component 3 of the project which have been completed and disseminated										Ministry of Finance	Employment, Work and Social Insurance / CFEF Unit, Ministry of Finance
Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	0.00	1355.00	2510.00	2890.00	3110.00	3130.00	Annual	Report of the CFEF Unit, Ministry of Finance	CFEF Unit, Ministry of Finance
Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub-Type Supplemental	0.00	10.00	10.00	15.00	15.00	15.00	Annual	Report of the CFEF Unit, Ministry of Finance	CFEF Unit, Ministry of Finance

### Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)
Proportion (and number) of educational sub-provinces in targeted areas with annual plans and reports based on improved SIGE data available on the internet	The plans and reports are developed to guide the management of the education system in the specific catchment area (sub-province) based on data generated by the new SIGE system. The key dimension of "improved" which the project aims to achieve is timeliness of data. Project monitoring will also track qualitative evidence of utilization of the plans for decision making. The plans will be expected to make use of geo-positioning data as well as data on service provision. The numerator for this indicator is the number of plans and reports developed. The denominator is the number of plans and reports scheduled to be developed, for the year in review, as per the project implementation plan. The plans and reports will be counted as a result only if they are published on the internet.
Proportion (and number) of health zones in targeted areas with annual plans and reports based on improved SNIS	The plans and reports are developed to guide the management of the health system in the specific catchment area (health zone) based on data generated by the new SNIS

data available on the internet	system. The key dimension of "improved" which the project aims to achieve is timeliness of data. Project monitoring will also track qualitative evidence of utilization of the plans for decision making. The plans will be expected to use geo-positioning data as well as data on service provision. The denominator is the number of plans and reports scheduled to be developed, for the year in review, as per the project implementation plan. The plans and reports will be published on the web site of the Ministry of Public Health.
Proportion of priority action points in the first Service Delivery Indicators (SDI) action plan which have been completed	The Service Delivery Indicators (SDI) surveys will be carried out in years 2 and 4 of the project. Both surveys will be accompanied by a consultative process to develop action plans to address the main service delivery bottlenecks identified in the surveys. This indicator will measure the proportion of the priority action points in the first action plan which will have been completed.
Score of the capacity of the Drugs Regulatory Division (DPM) regulatory functions	This is a composite score indicator that measures capacity using a standardized tool developed by WHO. The baseline value will be determined through a survey to be carried out within 3 months of project effectiveness.
Score for the quality of procurement of essential medicines	The raw score will be determined according to the Model Quality Assurance System tool. The raw score will then be converted into a proportion by dividing the score (numerator) by the maximum possible score (denominator). The baseline value will be determined through a survey to be carried out within 3 months of project effectiveness.

### **Intermediate Results Indicators**

Indicator Name	Description (indicator definition etc.)
Proportion of territory which is covered by a GIS-based education map system in the targeted areas	The numerator for this indicator will be the physical area which is included in the GIS-based education map system using project resources. The denominator will be the total physical area targeted by the project.
Proportion of territory which is covered by a GIS-based health map system in the targeted areas	The numerator for this indicator will be the physical area which is included in the GIS-based health map system using project resources. The denominator will be the total physical area targeted by the project.
Number of health and education workers trained on information management systems in targeted areas	This indicator measures the total cumulative number of education and health workers trained on project related topics using resources from the project.
Number of action plans developed based on Service Delivery Indicators (SDI) surveys and disseminated	Each SDI survey will be followed by a consultative process of development of actions plans. The action plans will be validated by stakeholders and presented to the Principal

	Secretary of the two Ministries. They will be disseminated.
Business plan for a more autonomous essential medicines regulatory authority developed and disseminated	The plan will be facilitated by the technical expert hired by the project to work with the Drugs Regulatory Division (DPM). The plan is to be validated by experts, endorsed by the DPM and presented to the Secretary General of the Ministry of Public Health and then disseminated.
Business plan for the FEDECAME developed and disseminated	The plan will be facilitated by the technical expert hired by the project to work with the FEDECAME. The plan is to be validated by experts, endorsed by the FEDECAME and presented to the Secretary General of the Ministry of Public Health. It will then be disseminated.
Action plan to optimize logistics of essential medicines in targeted provinces developed and disseminated	The plan will be facilitated by a team of technical expert hired by the project to work with the PNAM. The plan is to be validated by experts, endorsed by the PNAM and presented to the Secretary General of the Ministry of Public Health. The plan will be disseminated.
Number of studies supported by Component 3 of the project which have been completed and disseminated	The studies will be facilitated by technical expert(s) hired by the project to work with the Ministries. The studies are to be validated by experts and presented to the Ministers of the Ministries.
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention. In the case of this project, the direct beneficiaries are the individuals that will be directly exposed to the technical assistance provided through training, workshops, other events.
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, this is the percentage of the project beneficiaries that are female. Note that the targets for this sub-indicator are limited by the current low proportion of women employed in targeted positions within the participating Line Ministries.

## ANNEX 2: DETAILED PROJECT DESCRIPTION

### **Democratic Republic of Congo: Human Development Systems Strengthening**

1. Systems for human development in DRC require strengthening in almost all areas. This project is very selective in focusing on some of the most “foundational” system building blocks in each sector, taking into consideration the support of other development partners (e.g., procurement and financial management to be supported by DFID). While technical assistance will be provided to all four participating ministries, larger activities will be financed for the education and health sectors because these two ministries are considerably more prepared for larger scale activities. As the two ministries responsible for social protection increase their capacity and preparedness (partly through the analytical tasks in Component 3 below) they will be better positioned to utilize eventual financing which may become available from domestic resources and/or development partners.
2. The project will have three components as follows:

#### **Component 1: Information Systems (approx. US\$8.44 million)**

3. The overall objective of this component is to enable data-driven decision making and increasing transparency, leading to more efficient use of resources and improved human development outcomes. The targeted ministries currently have very limited reliable and timely data on which to base decisions and thus the investments are of less than optimal efficiency. The project will address that situation in the following three ways: i) by enhancing the capacity and decentralizing the information management and mapping system for education; ii) by enhancing the capacity and decentralizing the information management and mapping system for health; and iii) by generating additional information on bottlenecks to service delivery, to complement the systems in i) and ii), through two rounds of Service Delivery Indicator (SDI) surveys.
4. This component will also finance the provision of goods, consultant services, training and operating costs to support project monitoring/evaluation and management, with a view to ensure efficient, effective, transparent and accountable project delivery of this component of the project. Internal performance contracts will be established between the CFEF Unit and the technical units in the line ministries to incentivize timely and quality delivery of project activities. The component will also finance the project communications strategy.

#### ***Sub-Component 1.1: Education Program Information Management System and GIS School Mapping (approx. US\$3.02 million)***

5. The overall goal of this project sub-component is to improve the governance, quality and decentralization of education information and initiate education system mapping at national, provincial and sub-provincial levels by: (i) developing a data management protocol for the education system; (ii) establishment of provincial education statistics units (cellules provinciales) in targeted provinces; (iii) upgrading and decentralizing the information collection and reporting capacity of existing education structures; (iv) encouraging the utilization of data in active decision making; and v) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to encourage wider participation in the planning and management

process. The project will provide technical assistance and equipment at the central level as well as in the following six provinces: Bas Congo, Equateur, Katanga, Maniema, Orientale and West Kasai. In the provinces, the project will support both the provincial and sub-provincial levels. In selecting the project areas, priority was given to the two provinces that have been receiving support from the World Bank supervised Global Partnership for Education PROSEB project as well as the two provinces where the decentralization of the information systems has begun. The sub-component will focus on accelerating the decentralization and quality improvement of the information management system for education, as initiated in the provinces of Katanga and Bas Congo and which is ready to be replicated in the other provinces. The system collects and manages information on a range of parameters that are required for managing the education system (e.g. school enrollment, teachers, textbooks, etc.). The sub-component will also give a strong focus on developing more transparent systems that create stronger accountability within the Ministry of Primary, Secondary and Professional Education, as well as between the Ministry and its external stakeholders at all levels, with a particular focus at the community level.

6. The reports produced by the current education information system have very limited utility for planning and management. The annual statistics report contains raw data which would require some (currently inexistent) capacity for analysis in order to be used for planning. The absence of a dashboard, with specific indicators on key components of the education policy, is a serious constraint on the utility of the current information system. The long production time of the annual reports also limits their utility as they tend to only be available at the earliest well into the year that follows the school year for which they were collected. The current reports are also produced in paper format and not sufficiently disseminated. The current system is very costly (more than US\$800,000 per year) to operate. These expenses do not include equipment or capacity building costs. The approach is an annual data collection process rather than the sustained data collection and analysis process which this project will support.

7. Recognizing these limitations, the Ministry has started a process of decentralization, beginning with the provinces of Katanga and Bas Congo. A series of workshops with stakeholders has generated a national scale-up plan for the system which would be supported by this project. The decentralization process has faced capacity constraints in the provinces, but the most important constraints have been related to the paper-based tool for data collection, analysis and dissemination. There is currently no geo-referencing of the education infrastructure for use in micro-planning and to prepare the education map, apart from some data collected by the Ministry of Public Health as part of the health sector mapping which has begun. In the context of decentralization, the absence of a school mapping tool severely limits the possibility of local-level planning.

8. These limitations outline the necessity of modernizing the education information system, with the following three objectives: (i) collecting data required for good planning and management of the education system; (ii) reducing the time required for the collection and analysis of data, while reducing costs and thus enhancing sustainability; (iii) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to encourage wider participation in the planning and management process. A critical step in setting up this new decentralized system will be the establishment of a statistical data management protocol for the education information system; this will be completed within three months of project

effectiveness.

9. The proposed approach is characterized by flexible information technology that is adjusted to the realities of the current system. The plan is to use -- in addition to the current desktop computers -- tablets and smartphones. In terms of software, the Ministry is planning to use a unique database with access from a distance, via the telephone system by SMS or through the internet. This approach will enable the decentralization of data collection, which is currently a major source of delay in the production of annual statistics. The system will also enable the use of different types of data collection (numeric and paper based) depending on available equipment and connection modalities. This system does not change the content of the current information systems (i.e., indicators) and thus will enable continuity while enhancing system performance. The education information system will include schools managed by the government as well as those managed by non-governmental entities (as does the current annual statistics process).

10. The project will build on the national population and household census, partly supported through the World Bank-financed Catalytic Project to Strengthen the National Statistical Institute, which will undertake in 2014, during the mapping phase, a census of all social sector infrastructure of public interest (e.g., public and private schools, health facilities, pharmacies, pre-schools, vocational schools, shelters, etc.). The census will use geo-positioning and thus maps of the infrastructure could be linked to population figures. This project will build on the census by enabling the Ministry to develop dashboards for managing the detailed information on physical infrastructure collected from the census and thus facilitate data-driven decision making related to infrastructure investments. While the initial phase of support would focus on physical infrastructure, the project will create a platform on which other "layers" of GIS-based information and data can be added, e.g., to manage human resources and supplies, such as text books.

11. The new system will generate significant cost savings. While the current system requires considerable recurrent expenditures for the movement of personnel to the field for data collection (essentially an annual survey), the new approach requires initial investments in equipment and capacity development and then will enable the data to be collected in a decentralized manner without major additional transportation or staff time costs (e.g. data would be collected as part of routine supervision activities). Data will also be collected much more rapidly, with an estimated one month data collection period instead of the current one year. Because the data can be checked in real time, it is anticipated that the quality of data will be enhanced significantly.

12. Of utmost importance is how the new technology will enhance the role of peripheral structures, including the schools themselves, in the planning process. Rather than just gathering data for transmission to Kinshasa, the new system will provide feedback to all levels in the education system and enable them to plan based on the data. The schools, the educational provinces and sub-provinces will each have information on a number of core indicators that will enable them to compare themselves against other institutions at the same level. These data will enable the different levels in the system to improve their performance. The system will also enable better data quality control by enabling the inspectors and administrators of the various

levels (sub-provinces, provinces, technical divisions, Ministry) to validate the data collection.

13. The project will include the following activities: i) development of the tools (data base applications for tablets and smartphones, GIS system); ii) provision of equipment to schools and other levels in the system; iii) capacity development through training and other forms of learning; iv) dissemination of data; v) support for use of data in planning and management; vi) development of a dynamic site for the exchange of data by the various stakeholders of the education system. This portal will contain the data base of statistical data that can be consulted at a distance as opposed to the current paper based annual statistical report. The same portal will contain mechanisms for dialogue between teachers and other stakeholders and should enable a better utilization of the data to improve the performance of the education system.

***Sub-Component 1.2: Health Information Management System (HMIS) and GIS Health Infrastructure Mapping (approx. US\$2.68 million)***

14. The overall goal of this project sub-component is to enable data-driven, quality and decentralized decision making through improved health information management and health mapping at national, provincial and operational level by: (i) upgrading the information collection and reporting capacity of existing health structures; (ii) encouraging the utilization of data in active decision making; and (iii) ensuring a wider dissemination of the data in forms that are useful to different stakeholders, in order to encourage wider participation in the planning and management process. The project will provide technical assistance at the central level as well as in the following three provinces: Equateur, Katanga and Kinshasa. In the provinces, the project will support both the provincial and the health zone level. In selecting the provinces and health zones, priority was given to the areas that have been receiving support from the World Bank financed health sector project and which are not slated to receive support from other partners. The sub-component will also give a strong focus on developing more transparent systems that create stronger accountability within the Ministry of Public Health, as well as between the Ministry and its external stakeholders at all levels, with a particular focus at the community level.

15. An HMIS provides the information required to manage the health system (e.g. coverage of health services, availability of supplies such as medicines, etc.). The current HMIS does not deliver reliable data to enable the Ministry of Public Health to manage service delivery in a decentralized, data-driven and timely manner. Data collection is slow and does not take full advantage of available information and communication technologies.

16. The Ministry of Public Health has developed a costed work plan to update the HMIS to a DHIS-2 software and for related capacity building, which currently has a considerable financing gap. This plan includes both public facilities as well as the facilities managed by non-governmental entities (as does the current SNIS systems). The Ministry has also carried out GIS Mapping activities in approximately 100 health zones (HZ), but has not yet developed GIS-based information management systems. The HMIS and GIS components of the project identify a set of areas for the World Bank to support in coordination with other partners (e.g. DFID has indicated they would also finance the HMIS plan). The strengthening of the HMIS system is a visible component of both the National Plan for Health Development (*Plan nationale de*

*développement sanitaire, PNDS*) and of the Strategy for Reinforcement of the Health System (*Stratégie de renforcement du système de la santé, SRSS*).

17. The National System of Health Information (SNIS) is a complex group of structures, institutions, personnel, methods, tools and equipment to provide necessary information for the decision making, for action, and for the management of health programs and health systems at all levels of the health pyramid: central, intermediate and peripheral. The desired result is that appropriate reliable and timely information is available at all levels to support decision making, including monitoring/evaluation and planning). The population should be central to the concerns of the health system, yet the official system of data collection for the upper levels distinctly overshadows the self-evaluation of health services and the rational organization of patient services. A serious reform of the national health information system which must be centered on people instead of being based on the meeting program needs is required.

18. The PNDS also envisages that the central level will determine and rationalize the minimal number of health structures (HGR, HP and university private hospitals) to rehabilitate, construct and equip by province after the establishment of a health map of the country. Rationalization will also examine the human resources and the issue of overstaffing of certain health facilities with respect to the mapping of health zones. The proposed GIS based mapping system will facilitate this rationalization.

19. The improvements in health information management and health mapping will focus on the management of health information of existing health facilities. This will be achieved by upgrading the current SNIS to a new software platform that integrates elements of HMIS and GIS, i.e., the District Health Information System (DHIS-2) software. Since DHIS-2 integrates HMIS and GIS into one package, this approach will not only improve the reporting of health information, but will also encourage its use to increase local decision making, especially from a mapping perspective which has been too often overlooked. For example, with DHIS-2 it will be possible for health zone (and provincial) teams to disaggregate data for vaccination coverage to identify and map out health areas with low coverage and examine them within the context of other geographic, infrastructural or even cultural factors. The Ministry of Public Health already has a statistical data management protocol which will remain in effect with the DHIS-2 software.

20. As outlined in the education information management system sub-component above, the project will build on the national population and household census, partly supported through the World Bank-financed Catalytic Project to Strengthen the National Statistical Institute, which will undertake in 2014, during the mapping phase, a census of all social sector infrastructure of public interest (e.g., public and private schools, health facilities, pharmacies, pre-schools, vocational schools, shelters, etc.).

21. The PNDS states that the desired result of an HMIS system is that appropriate reliable and timely information is available at all levels to support decision making, including monitoring/evaluation and planning. However, effective “decision making” at all levels must be intentionally encouraged. The project will, therefore, promote level-specific tools to encourage utilization of data in active and positive decision-making. The following are some illustrative examples of actions which the project will support.

- 1) *Monthly Graphing of Key Interventions*: Both the PARSS and SANRU projects have previously distributed “Tableau de bord” poster calendars that include pre-printed areas for the monthly monitoring and graphing of key indicators. The project will continue this approach and build it into results-based financing schemes. A status review of this poster at the health facility or health zone levels can be a useful starting point for supervision visits.
- 2) *Health Area Mapping*: The mapping of health areas within health zones will not only include health area boundaries but also the coordinates for mapping communities, health facilities, water sources, and other structures within each health area. The project will help to develop HMIS and GIS tools and training that are particularly appropriate for the health areas planning.
- 3) *Health Zone Management and Planning*: Health data from health facilities/areas will be consolidated and entered into DHIS-2 at the health zone level. The project will train the health zones to use DHIS-2 not just in reporting to higher levels, but also in how to generate tables, charts and maps for local decision-making, especially for local discussions with partners operating in the health zone and in updating and budgeting the Health Zone’s Operational Plan of Action (PAO). This will be a key tool for facilities to perform well as part of performance-based financing schemes.
- 4) *Health Zone Mapping*: Mapping comparisons between health zones is particularly useful at the provincial and national levels. There is, however, much more that could be done using this approach related to both the HMIS component, (e.g., in coordinating funding for rehabilitation and construction initiatives). The project will assist the Ministry in verifying and updating of health zone boundaries and providing technical assistance for data analysis and mapping.

***Sub-Component 1.3: Service Delivery Indicator Surveys (approx.US\$2.74 million)***

22. **The project will support the government to carry out two rounds of national SDI surveys (one at the start of the project and another in year four of the project).** The surveys will complement the information collected through the program management information systems by adopting the perspective of citizens accessing a service. The surveys will be national in scope and include facilities managed by the public sector as well as those managed by non-governmental entities. The SDI process will thus provide a periodic service delivery report card on education and health care. Being part of the group of countries in Africa which are participating in the SDI process will also enable DRC to compare itself to benchmarks and to share knowledge on approaches to improve service delivery. The World Bank will support DRC with additional Bank-executed resources for quality assurance of the surveys.

23. **SDI surveys fill an information gap left by other data collection activities.** Other surveys generally focus on the demand side, or households and individuals.<sup>5</sup> Administrative data are self-reported and their quality is often lacking. While work is needed to redress their quality concerns, certain topics such as competence are not covered and others, like absenteeism, suffer

---

<sup>5</sup>The exception in DRC is the PASEC survey of 2010, which provided some information on schools.

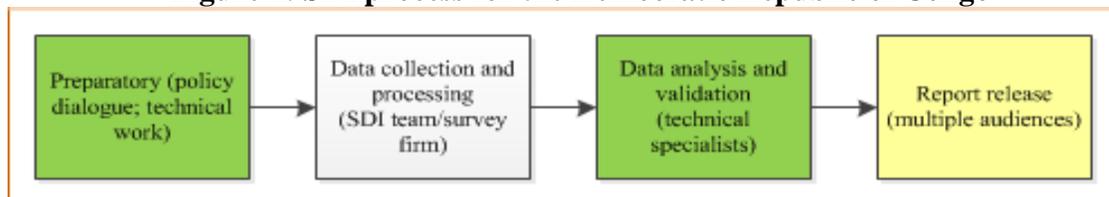
from self-reporting biases. SDI provides the user perspective on service provision by looking at the facility's resources and its clinicians' effort and competence. This information fills a gap in the results chain between inputs and outcomes, thus broadening and refining policy options.

24. **SDI have proved very effective in influencing policy-makers.** For example, the pilot SDI results in Tanzania were extensively used and shaped the decision of the government to include the education sector in the Big Results Now initiative. During the SDI launch in Kampala in 2013, the Uganda government, through its Permanent Secretary for the Ministry of Finance committed to reform the sectors and will setup a task force to initiate the dialogue. This was the response to the results of the SDI which unveiled serious quality issues that can jeopardize Uganda's commitment to social and economic transformation and objective to be prosperous and modern by 2040.

25. **The SDI methodology provides robust and precise indicators about a number of the within-facility aspects that transform resources into results.** This addresses a recent World Bank working paper on financial management and service delivery in Fragile and Conflict State environments, which found little correlation between PEFA progress and human development outcomes.<sup>6</sup> The SDI focus on competence and effort provide information on what happens within facilities. In Kenya, only 39 percent of teachers had a minimum knowledge in English, math, and pedagogy. On average Ugandan clinicians diagnosed 56 percent of the tracer conditions they were presented and only 38 percent of them adhered fully to the treatment protocols. Fully 46 percent of clinicians in Uganda were absent during unannounced visits, putting Uganda among the worst provider availability results to date. Information is also available on sub-national inequality (e.g. rural public health workers are 35 percent more likely to be absent than their urban counterparts in Kenya) and by provider type (private-sector students receive an extra hour and 25 minutes of school per day or nearly twice as much as public-school students).

26. **The SDI implementation process consists of four distinct phases,** as shown in Figure 1 below. The process is designed to involve stakeholder groups in the preparatory and dissemination phases to build trust and to ensure that the approach and methods are well-understood and accepted. These form the basis for the information that comes from the field work. The individual steps and their activities are detailed in the following paragraphs.

**Figure 1: SDI process for the Democratic Republic of Congo**



27. **Building trust and precision through the consultative process.** The SDI instruments are proven through use in multiple countries with varying characteristics such as size, government and sector organization, language, and fragility status. The initial policy discussion with government and non-government stakeholders (unions, NGOs, donors) creates the context

<sup>6</sup>Strengthening Public Financial Management in Post-conflict Countries.

in which the work is done. As the policy consensus matures, the technical dialogue focuses on adapting the instrument to the local context. Examples of this include the contractual status of providers, educational levels, and any country-specific questions that have the potential to clarify the results. Once the initial adaptation is completed, the instruments are piloted in a few facilities chosen for convenience and informational use. This provides insight into whether or not the instruments function as desired and allows for last changes before the training and data collection phase begins. Overall, the collaborative process ensures that questions and concerns are addressed upstream.

28. **Data collection with quality assurance is done by contracting one or more third-party firms** to undertake the work based upon the detailed SDI methodology and the specific adaptations to the country context. Generally, few teams of interviewers and supervisors are used to facilitate both their training to a high level of preparedness and the oversight of their work. The objective of the training is to develop the understanding of the methods, principles, and content in the interviewers and supervisors to a level consistent with high-quality data collection. The training process involves a two-part selection, both initially into the pool of trainees and at the end for the field work. The content is both theoretical and practical, including intensive simulations and field visits (pilot survey) to evaluate the performance of potential staff. The rigorous training and selection process is particularly important in the Democratic Republic of Congo, because its size and infrastructure will make supervision more difficult than in most other countries. To that end, additional or refresher training may be required.

29. **To the extent possible, the analysis is done with local partners.** Part of the SDI approach is to develop local capacity to analyze service-delivery related information. The SDI team works with the implementation partner to analyze and report the results from the survey. This has generally worked well and provides a basis for future research and analysis by the local partners on service delivery.

30. **Disseminating results to stimulate a feedback loop.** The objective of the information release is to give information to stakeholders to enable them to demand accountability and support positive change. Results will be released to various stakeholders in content formats that are adapted to their ability to use the information. Among the content formats are a roundtable organized at the launch of the country report, specialized briefings for various groups (media, parliamentarians, unions, and NGOs), and possibly training in the use of the data for researchers. To increase the use of the information, at least a subset of the data will be anonymized and made freely and publicly available.

31. **Throughout the process, the Service Delivery Indicators team at the World Bank will provide technical assistance and quality control,** both on-site and remotely. This support minimizes deviances from the methodology and maximizes the quality of the resulting data. In most countries, the SDI team has recruited a local consultant to provide technical assistance and oversight to implementation partners.

32. **The SDI process in the Democratic Republic of Congo faces important challenges.** The last population and housing census dates to 1984, lists of education and health facilities are neither current nor exhaustive, there are few qualified survey firms, and there is little experience

with this sort of survey. Since the SDI focuses on the users' perspective, the distribution of the population is needed to properly reflect the average user's experience.

- a. Sample frame and sampling: an expert on sampling who is recognized at the international level will be recruited to (i) oversee the preparation of the sample frames, (ii) prepare the sampling strategy, and (iii) draw the actual sample. During and after the field work, the sampler will evaluate the compliance with the sample and recommend adjustments as needed to the weights.
- b. Given the limited number of survey firms available, it may be necessary to offer one lot per sector survey as part of the procurement process. This will increase costs while inducing inefficiencies from the need to repeat information to two separate service providers. The use of lots may still allow one firm to win the process for both lots. Given the sensitive nature of the results, it is essential that the firms undertaking the work be independent and adheres to rigorous technical norms.
- c. Because SDI surveys focus on quality of services in facilities (as opposed to household surveys), interviewers with specialized skills are required for SDI surveys. Interviewers generally used for household surveys do not have the medical skills required for the health portion of the SDI survey, nor do they have the classroom observation and pupil testing skills required for the education portion of the SDI survey. In general, this makes it difficult for national statistical offices to be candidates for such tasks.

## **Component 2: Systems for Safe Essential Medicines (approx. US\$3.71 million)**

33. The overall objective of this component is to enhance the capacity of the system that provides safe and effective essential medicines. While a well-designed national system for delivery of pharmaceutical products exists on paper in the country, it is not operating at its full intended scope or as efficiently as it could. Technical assistance is required both to reinforce the supply chain to public sector health facilities as well as the regulatory role of the government to control the quality of essential medicines in the market.

34. The resources available through this project are not sufficient to enable a full reform of the pharmaceutical regulatory and supply systems in the country. During project preparation, a few high priority interventions were identified based on their fit with the unmet needs of the sector, their expected value for money and their expected contribution to the next World Bank-financed health sector project in DRC. These activities have been validated with key local stakeholders and with other development partners, through the pharmaceuticals sub-group of the health sector coordination group (GIBS). The component is hence divided in three sub-components tackling specific dimensions of the pharmaceutical system: (i) regulatory system strengthening; (ii) public procurement system strengthening; and (iii) public supply chain management enhancing.

35. This component will finance the provision of goods, consultant services, training and operating costs to support project monitoring/evaluation and management, with a view to ensure efficient, effective, transparent and accountable project delivery of this component of the project. Internal performance contracts will be established between the CFEF Unit and the technical units in the Ministry of Public Health to incentivize timely and quality delivery of project activities. The component will also finance the project communications strategy.

***Sub-component 2.1: Strengthening the Regulatory System (approx.US\$1.62 million)***

36. The National Medicines Regulatory Division of the Ministry of Public Health (*Division de la Pharmacie et du Médicament, DPM*) oversees the pharmaceutical sector but remains a weak institution as it is often the case in developing countries. In addition to having weak power within the Ministry of Public Health, it has limited human resources capacity and financial support, as well as insufficient equipment and tools, which hamper its operations. Experience from other countries shows that overhauling the DPM and creating a more autonomous authority with increased and sustained financing would help alleviate these challenges. Moreover, strengthening the technical expertise of the team is also required. The DPM has been benefiting from some technical support provided by Management Sciences for Health (MSH) through the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program funded by the US Agency for International Development (USAID) and by the Belgium Cooperation. Although this support has been extremely useful in filling some of the existing gaps, there is a need to provide full-time hands-on support at the DPM to achieve significant outcomes.

37. The project will therefore support the recruitment of a technical assistant for an initial period of 12-18 months, who will work in close collaboration with the WHO National Professional Officer responsible for essential medicines and other experts to strengthen the different regulatory functions of the DPM and accompany it in its transition to a more autonomous medicines regulatory authority. The main focus of this performance-based consultancy will be to build the capacity of the national staff of the DPM. The main activities will include: (i) Establishing a business plan to transition the DPM to a more autonomous regulatory authority with increased resources and financial sustainability; (ii) Supporting a feasibility study to establish a National Quality Control Laboratory and implementation of its recommendations; (iii) Training internal evaluators and inspectors using WHO resources and new regional/continental training and excellence centers such as the Center for Pharmaceutical Advancement and Training (CePAT) established in Accra, Ghana.

***Sub-component 2.2: Strengthening the Public Procurement System (approx.US\$1.43 million)***

38. The National System for Procurement and Distribution of Essential Medicines (*Système National d'Approvisionnement en Médicaments Essentiels, SNAME*) was established in 2002 by the Ministry of Public Health as a centralized procurement process and a decentralized storage and distribution system. A not-for-profit organization called FEDECAME manages the procurement process of the national system. Although the latest inspection performed by USAID in April 2012 pointed out several critical deficiencies and their current turnover is still modest as many vertical programs backed by donors are bypassing it, the FEDECAME is worth the investment for the following reasons: (i) it is an essential pillar of the “pull” distribution system

well connected to and backed by the regional medical stores; (ii) it has recently made significant efforts in improving its prequalification process; (iii) it is backed by more and more partners (e.g., USAID will replace the warehouse which recently burnt) and, with a general shift to use of country systems by development partners, others would be willing to follow should the FEDECAME be further improved.

39. The project will therefore support the recruitment of a technical assistant for an initial 12-18 months to strengthen the FEDECAME and its procurement arm, and prepare them for the expected scale-up of their purchasing activities as more partners (e.g., next World Bank financed health sector project) may use them for essential drug procurement. The main focus of this performance-based consultancy will be to build the capacity of the national staff of the FEDECAME. It will include the following activities: (i) establishing a realistic five year business plan which will include a scale-up of activities (assuming one or several partners will use the FEDECAME as a procurement agency) and which should reach financial sustainability after three years; (ii) strengthening the prequalification process by making it smoother and expanding the number of prequalified suppliers per item; (iii) improving the organization, quality management system and the operational management of the FEDECAME; iv) advocacy to facilitate the increase of its current rolling capital for medicine procurement.

***Sub-component 2.3: Strengthening Public Supply Chain Management (approx.US\$0.66 million)***

40. The SNAME has been established as a pyramidal distribution system organized around two to three entry points, 16 regional medical stores (*Centre de Distribution Régional*, CDR), 500+ health zones and around 8000 health facilities and which applies to any health commodity procured through the FEDECAME. Whereas the initial warehousing of medicines that have cleared national Customs follows a type of “cross-docking” approach which enables an efficient distribution to CDRs, downstream distribution is outdated, with intermediate storage at the health zone level, which includes unpacking, picking and repacking activities. Moreover, the SNAME is considering adding a distribution layer in health zones that are very remote from the CDRs. Such a system requires well-performing financial, information and physical flows between the different layers of the system and significant resources in terms of commodity planning and financial management at the health zone level. There is a need to reassess the logistics capacity of the current system according to available resources and to fairly challenge the relevance of a unique logistics organization that would apply to all products in all provinces.

41. The project will therefore support a thorough assessment of the current logistic system of the SNAME, which will challenge the “one-size fits all” approach to supplying drugs and will investigate whether it would be worth bringing some flexibility into the system. This study will be outsourced to a consulting company with significant experience in the field but also in other industrial sectors, and accustomed to working with the private sector. The main activities will include: (i) A review of the current logistics of the SNAME in a few provinces<sup>7</sup> with different patterns in order to identify strengths and weaknesses; (ii) a proposal for an alternative design on a province-basis exploring options such as cross-docking, product segmentation; (iii) a full

---

<sup>7</sup> Priority will be given to the provinces which will be targeted by the next World Bank-financed health sector project.

costing of each model; and (iv) a proposal for an appropriate public-private mix for the SNAME.

### Component 3: Analytical Products (approx. US\$2.85 million)

42. The overall objective of this component is two-fold: i) to ensure that targeted ministries have access to high quality analytical products to inform decision-making and systems development; and ii) to enable DRC to learn from and share its lessons with the global community, particularly from/with other fragile and conflict-affected states. There are currently limited specialized analytical skills in the ministries and thus insufficient analytical products to inform policies and guide decisions. While project management units have been set up by Ministerial decree they will require additional support.

43. This project will enable the targeted ministries to build the analytical basis required for informed decisions. The following initial set of studies, for an approximate value of US\$1.15 million, has been identified by the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance. Work programs for subsequent years of the project will be approved through the annual work plan process.

**Table 3: Initial Series of Studies**

Study Name	Rationale	Description	Implementing Ministry
Vulnerability assessment	One of the main obstacles to the establishment of a comprehensive national social protection system is the lack of information about vulnerable groups. This study will complement work carried out with funding from a Rapid Social Response(RSR) grant to support a mapping of the major SP projects and programs (coverage, scope, scale, implementation arrangements, and objectives). Thus, while the RSR-funded study will provide a picture of the supply side, the proposed study will focus on the demand side. Together the two studies will represent a fundamental building block toward a SP system.	The study will provide a culturally accepted definition of vulnerable groups, try to determine their size and location, identify the main challenges they face and the types of responses that would be most appropriate and realistic to reduce their vulnerabilities. Because the handicapped and the elderly have already been identified as two groups that are particularly vulnerable and understudied/under-served, the study will pay particular attention to them. Considering the vast territory to cover and the high cost of travel, it is likely that field work will not cover all provinces but rather focus on two or three provinces considered “typical”, such as North Kivu as a typical conflict-affected province and Bas-Congo as a relatively better-off province.	Ministry of Social Affairs
Review of DRC’s experience with key financial risk pooling mechanisms to provide access to health services	Health coverage for the poor, and for the population in general, continues to be a challenge to which the private sector and ordinary citizens have responded in a variety of ways. The Government is interested in supporting risk pooling mechanisms, but little is known about the pros and cons of different arrangements. The proposed study would contribute to the formulation of a “health for all” national policy.	This study would provide a comprehensive overview of the country’s experience with key financial risk pooling mechanisms to cover health care, such as <i>mutuelles de santé</i> , rotating saving and credit associations ( <i>tontines</i> ), and health insurance schemes. It will try to estimate the extent of coverage of different arrangements, will identify their pros and cons as well as their suitability for scaling up. Experiences from other African countries would also be brought to bear to offer examples of how governments can support different arrangements.	Ministry of Labor, Employment and Social Insurance

Study Name	Rationale	Description	Implementing Ministry
Feasibility study to transform Social Promotion Centers and increase their contribution to social protection	Social Promotion Centers are the main outreach instrument of the Ministry of Social Affairs and could potentially be the foundation of service delivery for SP. However, their mandate and activities have hardly evolved over the past twenty years, and at present they mainly provide low quality vocational training with no specific targeting. Considering the important role they could potentially play, the Government has expressed its willingness to increase their budget, but only if they are revamped. The donor community would also be amenable to support them, if their role –and their effectiveness in providing social protection services— were to change.	This study would be articulated into two parts, an assessment and a proposal. The assessment would include a review of the legal framework under which the centers operate, their activities and capacity, and their budget. The proposal would offer a roadmap leading to a new set-up and role for the centers, identifying pre-requisites and accompanying measures. The second part of the study would be carried out in a very participatory way to ensure full ownership by the Ministry.	Ministry of Social Affairs
Labor market study focusing on skilled manual labor	Private enterprises rely increasingly on foreign skilled manual labor (e.g., plumbers, electricians, masons, etc.), thus contributing to joblessness or underemployment among DRC nationals. The Ministry of Labor is keen on reversing this trend but at present does not know how best to tackle the issue.	This study would analyze both demand and supply side for skilled manual labor. On the demand side, it would identify, among others, the type of skills most in demand (possibly by geographic area, and in any case not just in the capital) and the reasons why enterprises rely on foreign labor. On the supply side, the focus will be on present training arrangements and on how they could be changed to better meet demand.	Ministry of Labor, Employment and Social Insurance

44. The project will also finance other forms of learning such as South-South exchanges, participation in international fora, etc.

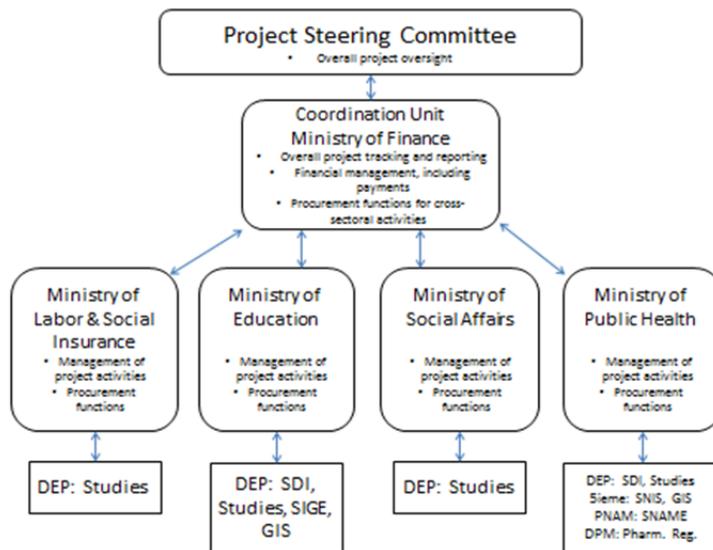
## ANNEX 3: IMPLEMENTATION ARRANGEMENTS

### Democratic Republic of Congo: Human Development Systems Strengthening

#### Project Institutional and Implementation Arrangements

1. The implementation arrangements have been designed to take into consideration the multi-sectoral nature of the project, the weak capacity and coordination failures within the Congolese public sector which need to be addressed for the project to reach its development impact. The detailed Project Implementation Manual describes the implementation arrangements in more detail and serves as a guide for implementation. Overall, as shown in Figure 2, the arrangements include a high-level Steering Committee, the Ministry of Finance as the coordinating ministry and four line ministries as implementing agencies. This proposed model of implementation arrangements aims to strike a balance between strong inter-sectoral coordination and the autonomy required for timely and effective implementation.

**Figure 2: Project Implementation Arrangements**



2. While the Ministry of Finance will ensure the overall project oversight through its project coordination unit - *Cellule d'Exécution des Financements en faveur des Etats Fragiles* (CFEF Unit), which has coordinated the project preparation, the implementation of the project components will be the responsibility of the designated line ministries, which are the Ministry of Primary, Secondary and Professional Education, the Ministry of Public Health, the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance.

3. To address the issue of the weak capacity of national institutions, the following arrangements will be established:

- a. The project will be anchored within the Ministry of Finance who led its preparation from the government side.

- b. **Steering Committee.** A high level Steering Committee will be officially established. The Steering Committee will be chaired by the Minister of Finance or his representative and composed of representatives from the four line ministries involved in the project. The Steering Committee will be responsible for: (i) providing overall strategic direction; (ii) approving the work plan and the annual consolidated budget; and (iii) ensuring consistency with the policies and strategies of the DRC government.
- c. **Coordination of the Project.** The CFEF unit under the Ministry of Finance will be responsible for the overall coordination of the administrative and fiduciary aspects of the project, mainly tracking and reporting of results, procurement and financial management. The project components will be executed by technical services of line ministries, specifically the Ministry of Primary, Secondary and Professional Education, the Ministry of Public Health, the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance. The procurement actions will be executed by the line ministries, except for activities that involve more than one ministry (e.g. Service Delivery Surveys) for which the procurement will be executed by the CFEF unit. The payments for all activities will be made by the CFEF unit.
- d. **Project Execution in Ministry of Primary, Secondary and Professional Education.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification – DEP*) will be responsible for the technical aspects of the implementation of the education information management system as well as the GIS mapping to produce the education map. They will also be the education sector focal point for the Service Delivery Indicator Survey, which will be implemented by the Ministry of Finance. The CGPMP within the Ministry will be responsible for the procurement actions for the project. The Ministry has chosen to issue a direct agreement with UNESCO to purchase technical assistance for the implementation of the education sector activities of this project. The different actors involved in the implementation of these education sector activities and key staff from the CFEF Unit will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to CFEF. The DEP unit will work closely with educational provinces and educational sub-provinces for the technical implementation of the activities related to the education information management system and the GIS mapping to produce the education map in their areas.
- e. **Project Execution in the Ministry of Public Health.** Overall coordination will be ensured by the Secretary General. The Health Information Management System (HMIS) Division within the Ministry of Public Health will be responsible for the technical aspects of the implementation of the health information management system as well as the GIS mapping to produce the health sector map.

The Division for Analysis and Planning (*Division des études et de la planification - DEP*) will be the health sector focal point for the SDI surveys, which will be implemented by the Ministry of Finance. The Division for Pharmacy and Medications will lead the activities related to reforming the regulatory environment for essential medicines. The National Program for Supply of Medications will lead activities related to the pharmaceutical supply chain. The CGPMP within the Ministry will be responsible for the procurement actions for the project. The different actors involved in the implementation of these health sector activities and key staff from the CFEF Unit will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to CFEF. At the provincial level, the Provincial Health Directorates (*Divisions Provinciales de la Santé*) will be responsible for the technical implementation of the activities related to the health information management system and the GIS mapping to produce the education map in their province.

- f. **Project Execution in the Ministry of Social Affairs.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification - DEP*) within the Ministry of Social Affairs will be responsible for the technical aspects of the implementation of the studies related to that Ministry. The CGPMP unit within the Ministry of Social Affairs will undertake the procurement actions and the CFEF unit within the Ministry of Finance will make the payments. The different actors involved in the implementation of these studies and key staff from the CFEF Unit will meet around a platform on a regular basis to take stock of progress made on the implementation of each activity, discuss bottlenecks and find solutions. A report will be prepared at the end of such meetings, which will be transmitted to CFEF.
- g. **Project Execution in the Ministry of Labor, Employment and Social Insurance.** Overall coordination will be ensured by the Secretary General. The Division for Analysis and Planning (*Division des études et de la planification - DEP*) within the Ministry of Labor, Employment and Social Insurance will be responsible for the technical aspects of the implementation of the studies related to that Ministry. The *Cellule de gestion de projets et de marchés publics* (CGPMP) unit within the Ministry of Labor, Employment and Social Insurance will undertake the procurement actions and the CFEF unit within the Ministry of Finance will make the payments.

## **Financial Management, Disbursements and Procurement**

The CFEF Unit will have the overall responsibility for project fiduciary management.

## **Country PFM situation and Use of Country System**

4. The Country Financial Accountability Assessment (CFAA), the Public Expenditure Review (PER), and the Public Expenditure and Financial Accountability (PEFA) 2008 and 2012

have shown an unsatisfactory economic and financial control environment including weak budgeting preparation and control, financial reporting, external audit and human resources. In-depth structural reforms are consequently required in the areas of economic governance, public expenditure management, financial sector and public enterprises to strengthen capacity in the public administration. To this end, with the support of the donor community, the Government of DRC has undertaken a series of PFM reforms in budget preparation and execution, adherence to Treasury forecasts, preparation of regular budget execution reports, and simplification of the national budget classification system. The first critical step of these series of Public Financial Management (PFM) reforms is the adoption in July 2011 of a new PFM organic Law preceded by the adoption of a new Procurement code in December 2008. Additional decrees are being finalized to further clarify the organic Law. Yet, there is reason for cautious optimism; since it will take time for these reforms to yield substantial improvements in the management of public funds. As a result, the overall country fiduciary risk is still considered **High**. The repeated PEFA, just concluded at the end of 2012, took stock of the areas of progress and revised the existing PFM strategy plan accordingly. This will pave the way for a new PFM Technical Assistance operation. In that vein, an assessment of the use of the country national PFM systems (UCS) has been undertaken in April 2013 with the aim to identify areas in which these systems could be relied upon for the implementation of World Bank-financed projects. The UCS assessment report is in the process of being finalized.

5. While waiting for the outcomes of the use of country system assessment, the proposed project will (i) be entrusted at the CFEF Unit, (ii) and rely on the Western Growth Poles Project (WGPP) fiduciary arrangements that will be strengthened.

### **Risk Assessment and Mitigation Measures**

6. The World Bank’s principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. Assessment of the risks that the project funds will not be used in that manner is an important part of the financial management assessment work. The risk features are determined over two elements: (i) the risk associated to the project as a whole (inherent risk), and (ii) the risk linked to a weak control environment of the project implementation (control risk). The content of these risks is described below.

**Table 4: Risk Assessment and Mitigation Measures**

<b>Risk</b>	<b>Risk rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after mitigation measures</b>	<b>Conditions for effectiveness (Y/N)</b>	<b>Remarks</b>
<b>INHERENT RISK</b>	<b>S</b>		<b>S</b>		
<b>Country level</b> Delay in the implementation of the different PFM reforms that might hamper the overall PFM	H	Finalize the preparation of the current project (US\$26 million) in support of the PFM reforms. This operation will be prepared under the World Bank leadership as to address the key new challenges the country is facing. Rely on the existing coordination	H	N	The World Bank last assessment (September 2012) of the implementation of the existing PFM

environment.		unit in charge of the PFM reforms which has benefited from Bank – DFID initial TA.			strategy has shown an acceptable progress.
<b>Entity level</b> None except additional workload.	M	CFEF Unit is familiar with IDAFM procedures and staffed with experienced fiduciary consultants.	M	N	
<b>Project level</b> The project funds may not reach all beneficiaries and would be used for goals other than the intended purposes.	S	CFEF Unit will strengthen ex-ante and ex-post control of funds allocated to the implementing entities. The scope of the external audit and World Bank’s FM supervision will include review of expenditures incurred at all levels. Project’s staff fiduciaries capacity will be strengthened to strictly adhere to the fiduciary procedures included in the Project manual.	S	N	
<b>CONTROL RISK</b>	S		S		
<b>Budgeting</b> Weak budgetary execution and control inducing budgetary overspending or the inefficient use of funds.	S	Annual work plan and budget will be prepared each year. The project FM Manual of Procedures will define the arrangements for budgeting, budgetary control and the requirements for budgeting revisions. Annual detailed disbursement forecasts and budget required. IFR will provide information on budgetary control and analysis of variances between actual and budget.	S		
<b>Accounting</b> Risk of increasing of the FM team workload leading to some delays in the submission of the required reporting	M	The current FM staffing arrangement is adequate but may be strengthened with one additional accountant recruited on competitive basis. The existing accounting software will be customized to take into account the new project’s specificities.	M	N	
<b>Internal Controls and Internal Audit</b> The manual of procedures used by CFEF Unit doesn’t describe the specifics of the new project Internal controls procedures.	S	(i) Update the CFEF’s existing manual of procedures to capture the specificities of the new project; (ii) update the ToRs of the current internal audit unit to reflect the new project specificities; and (iii) establish a channel of collaboration between IGF and the current project's internal audit unit to agree on project's risk mapping and work	S	N	

		program.			
<b>Funds Flow</b> (i) Risk of misused of funds and (ii) use funds to pay non eligible purposes (i) Risk of misused and inefficient use of funds; and (ii) delays in transfer and justification of advances made to decentralized offices.	S	(i) Payment requests will be approved by the Coordinator and the administrative and financial manager prior to disbursement of funds, and (ii) the ToRs of the external auditors will include field visits (physical verification of goods, services acquired).	S	N	
<b>Financial Reporting</b> (i) Delay in the submission of IFRs due to the increase in the PCU activities; (ii) format and content of the IFR may not be appropriate	M	(i) A computerized accounting system in place and adequate staffing arrangements are in place under the Western Growth Poles Project (WGPP). (ii) The current content and format of the WGPP's IFR are acceptable to IDA. The IFR of the new project will use the same format and content.	M	N	
<b>External Auditing</b> Scope of the audit may not cover key issues; poor performance of the external auditor; or delays in submission of audit reports	S	Recruitment of an external auditor acceptable to IDA in line with International Accounting Standards (including fraud and corruption).	S Three months after effectiveness	N	
<b>Governance and Accountability</b> Possibility of circumventing the internal control system with colluding practices as bribes, abuse of administrative positions, mis-procurement, is a critical issue.	H	The TOR of the external auditor will comprise a specific chapter on corruption auditing (ii) FM manual of procedures will include anti-corruption measures including a specific safety mechanism that enables individual persons and NGOs to denounce abuses or irregularities ; (iii) Robust FM arrangements designed to mitigate the fiduciary risks; (iv) Measures to improve transparency such as providing information on the project status to the public, and to	H Over implementation	N	

		encourage participation of civil society and other stakeholder will be built into the project design. The implementing agency will prepare a code of conduct including clear procedures for disciplinary action.			
<b>Overall FM risk</b>	<b>S</b>		<b>S</b>		

7. The overall risk rating at preparation is **Substantial**.

**Table 5: Financial Management Action Plan**

<b>Issue</b>	<b>Remedial action recommended</b>	<b>Responsible entity</b>	<b>Completion</b>	<b>Effectiveness conditions</b>
Staffing	Recruit one additional accountant dedicated to the new project.	CFEF Unit	Three months after effectiveness	N
Information system accounting software	Upgrade the existing accounting software version acquired under WGPP's financing to reflect the new project specificities	CFEF Unit	Three months after effectiveness	N
Administrative, Accounting and Financial Manual of procedures	Update the current WGPP's manual of procedures (i) to include the specificities of the new project; (ii) ensure adequate ownership by the new players; and (iii) strengthen the anti-corruption aspects.	CFEF Unit	Three months after effectiveness	N
Internal auditing	Revision of the ToRs of the current internal auditor to reflect the new project specificities.	CFEF Unit	Three months after effectiveness	N
External financial auditing	Recruitment of the external auditor acceptable to IDA	CFEF Unit	Three months after effectiveness	N

8. **Governance and anticorruption considerations.** The country political situation has weakened the governance and corruption environment. In the context of the project, the following governance and anti-corruption measures will contribute to enhancing transparency and accountability during implementation : (i) an effective implementation of the fiduciary mitigation measures should contribute to strengthening the control environment, (ii) the appropriate representation and oversight of the Steering Committee involving key actors, as well as the transparency in both operation implementation and dissemination to stakeholders and the public during project implementation, (iii) the TOR of the external auditor will include a specific chapter on corruption auditing, (iv) FM manual of procedures will include anti-corruption measures with a specific safety mechanism that will enable individual persons and NGOs to denounce abuses or irregularities, (v) measures to improve transparency such as providing information on the project status to the public and to encourage participation of civil society and other stakeholders will be strengthened during project implementation and (vi) finally, update the existing GAC action plan under the Western Growth Poles Project to include the current project's GAC risks.

9. **Staffing and Training:** The CFEF Unit staffing should be adequate and commensurate with the extent of the operations and activities under the project; should be sufficient to maintain accounting records relating to project financed transactions; and should be able to prepare the project's financial reports. Currently the CFEF Unit is staffed, on the FM side, with (i) a qualified and experienced Financial Management Expert in charge of the supervision of all FM activities of the project; (ii) an experienced Accountant; and (iii) a Treasurer. One additional accountant will be recruited to reinforce the FM team in the perspective of the workload which the new project will generate. On the internal audit side, the current arrangement is acceptable and will be applied to the new project. The ToRs of the internal auditor will be revised within three months after the project effectiveness to take into consideration the new project specificities. The team will have the overall FM responsibility over budgeting, accounting, reporting, disbursement, internal control and auditing. The staff will have its capacity reinforced over the project implementation with the rolling out of the training plan which includes among other, training on IDA disbursement procedures, training on OHADA accounting principles and its implication for a donor-financed operation, and training on IDA financial reporting arrangements.

10. **Budgeting:** The WGPP's manual of procedures previously used by the CFEF Unit already includes detailed budgeting procedures, the preparation of an annual work plan, and the adoption by the Steering Committee to the budget execution. It will be revised to incorporate the new project specifics.

11. **Accounting Policies and Procedures:** The WGPP's manual of procedures currently used by the CFEF unit details the accounting policies and procedures which are in line with the Congolese accounting principles. This manual of procedures has been revised to include the new project's specifics. The accounting software acquired under WGPP's financing will be used. This accounting software is multi-projects, multi-sites and multi-donors.

12. **Internal Control and Internal Auditing:** As per the revised manual of procedures, the existing internal control arrangements will be applied. The ToRs of the internal auditor will be revised to take into consideration the project specificities. The internal auditor will report directly to the Coordinator and Steering Committee. He will undertake periodic assessments on the strengths and weaknesses of the internal control system at all levels. All control deficiencies or circumvented practices identified will be communicated in a timely manner to the overall senior management of the project for immediate corrective action as appropriate. One of each such report will also be communicated to the World Bank. He will prepare relevant manuals and guidelines. In line with the DRC Use of Country System (UCS) Report recommendation to fully rely on Inspection Générale des Finances (IGF) for project internal audits, the current project's internal control system could be strengthened by establishing a channel of collaboration between IGF and the current project's internal audit unit to agree on project's risk mapping and work program.

## **Funds Flow**

13. A Designated Account (DA) will be opened in a commercial bank on terms and conditions acceptable to IDA under the fiduciary responsibility of the CFEF Unit. This DA will

be managed according to the disbursement procedures described in the PIM and the Disbursement Letter (DL) for the Project. The ceiling of the account will be specified in the DL estimated to be the equivalent of four months of project cash needs and takes into account the disbursement capacity of the various structures implementing the Project. This ceiling will be set at US\$1 million. This Designated Account will be used to finance all eligible project expenditures. Payments will be made in accordance with the provisions of the manual of procedures (i.e. two authorized signatures will be required for any payment).

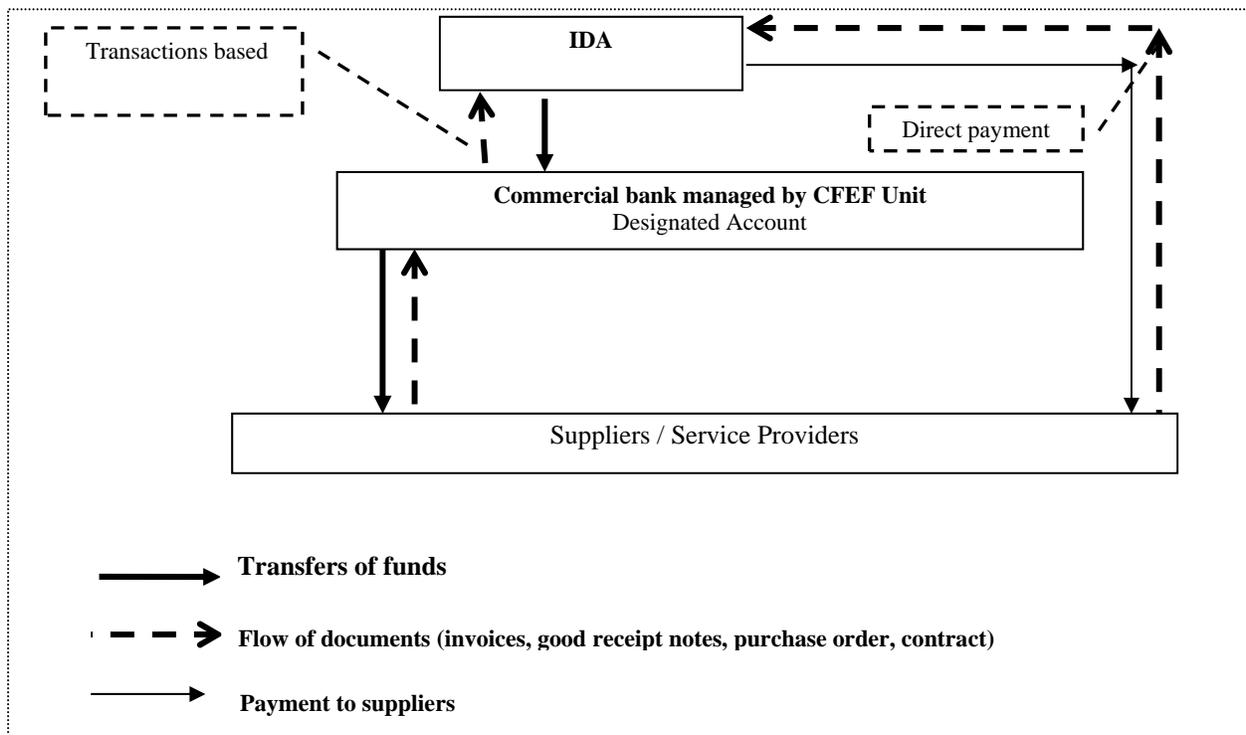
### **Disbursement arrangements**

14. ***Disbursement methods:*** Upon Grant effectiveness, transaction-based disbursements will be used during the first year of the project implementation. Thereafter, the option to disburse against submission of quarterly unaudited Interim Financial Report (also known as the Report-based disbursements) could be considered subject to the quality and timeliness of the IFRs submitted to the World Bank and the overall financial management performance as assessed in due course. In the case of the use of the report-based disbursement, the Designated Account (DA) ceiling will be equal to the cash forecast for two quarters as provided in the quarterly unaudited Interim Financial Report. An initial advance up to the ceiling of the DA will be disbursed upon project effectiveness. Subsequent advances to the DA will be made against monthly withdrawal applications supported by Statements of Expenditures (SOE) and other documents as specified in the Disbursement Letter. All supporting documents should be retained at the project and be readily accessible for review under periodic IDA implementation support missions and for external auditors.

15. ***Direct payments and special commitment:*** The option of disbursing the funds through direct payments to suppliers/contractors for eligible expenditures will also be available for payments equivalent to twenty percent (20 percent) or more of the DA ceiling. Another acceptable method of withdrawing proceeds from the IDA grant is the special commitment method whereby IDA may pay amounts to a third party for eligible expenditures to be paid by the Recipient under an irrevocable Letter of Credit (LC).

16. The funds' flows diagram is as follows:

**Figure 3: Fund Flows**



17. **Disbursement of Funds to other Service Providers and Suppliers:** The CFEF Unit will make disbursements to service providers and suppliers of goods and services in accordance with the payment modalities, as specified in the respective contracts/conventions as well as the procedures described in the project’s Administrative, Accounting, and Financial Manual. In addition to these supporting documents, the Project will consider the findings of the internal audit unit while approving the payments. The CFEF Unit, with the support of its internal audit unit, will reserve the right to verify the expenditures ex-post, and refunds might be requested for non-compliance with contractual clauses. Misappropriated activities could result in the suspension of financing for a given entity.

18. **Disbursements by category:** The table below sets out the expenditure categories to be financed out of the Grant. This table takes into account the prevailing Country Financing Parameter for DRC in setting out the financing levels. In accordance with World Bank standard procurement requirements, contracts will continue to be approved “all taxes included” for local expenditures. The project will, however, claim invoiced amounts excluding taxes. The Government will take appropriate steps to cover the tax portion of contracts signed by the project with contractors and suppliers of goods and services.

**Table 6: Disbursement Categories**

Category	Amount of the Grant Allocated (expressed in US\$ million)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, non-consulting services, consultant services, operating costs, workshops and training for the Project	15.0	100%
<b>TOTAL AMOUNT</b>	15.0	

**19. Retroactive financing:** The Bank will accept retroactive financing arrangements for the project. Retroactive financing will be permitted under the following conditions: (a) the activities financed are included in the project description and consolidated budget; (b) the payments are for items procured in accordance with applicable Bank procurement procedures; (c) such payments do not exceed SDR 700,000; and (d) the payments were made by the Borrower not more than 12 months before the expected date of signing of the Financing Agreement.

**20. Financial Reporting and Monitoring:** Financial reports will be designed to provide quality and timely information on Project performance to Project management, and relevant stakeholders. Formats of the various periodic IFRs to be generated from the financial management system will be developed using the World Bank’s Financial Management Practices in WB-financed Investment Operations. The Project will use the same format of IFRs as WGPP which will be automatically generated from the project’s accounting software. This accounting software has features multi-projects, multi-sites and multi-donors. The quarterly IFR includes (i) the statements of sources and used funds, and utilization of funds per category, (ii) the updated of the procurement plan, (iii) the physical progress, (iv) expenditure types and implementing agent, showing comparisons with budgets; (iv) Designated Account activity statements and explanation notes to the IFR; (v) and the summary of missions of internal audit as well as implementation status of the recommendations of internal or external audit and supervision missions. The IFR will be prepared and submitted to IDA, 45 days after the end of each quarter. In compliance with International Accounting Standards and IDA requirements, the Project will produce annual financial statements. These include: (i) a Balance Sheet that shows Assets and Liabilities; (ii) a Statement of Sources and Uses of Funds showing all the sources of Project funds, expenditures analyzed by Project component and category expenditures (iii) a Designated Account Activity Statement; (iv) an Implementation Report containing a narrative summary of the implementation progress of the Project; (v) a Summary of Withdrawals using SOE (transactions-based disbursement), listing individual withdrawal applications by reference number, date and amount; and (vi) Notes related to significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements. The financial statements will be submitted for audit at the end of each year or other periods to be stated.

21. **External Auditing:** The project's financial statements and internal control system will be subject to external annual audit by an independent external auditor which will be recruited on ToRs acceptable to IDA. The external auditor will give an opinion on the annual financial statements in accordance with auditing standards of IFAC. In addition to audit reports, external auditors will also produce a management letter on internal control to improve the accounting controls and compliance with financial covenants under the financing agreement. The project will be required to submit, no later than June 30 of each fiscal year, the annual audited financial statements of the previous year. In compliance with the DRC UCS Report, the DRC's Supreme Audit Institution (Cour des Comptes) could start being involved in the process of the external auditors' selection and their reports reviewing. In line with the new access to information policy, the project will comply with the disclosure policy of the World Bank of audit reports (for instance making available to the public without delay after receipt of all reports final financial audit, including audit reports qualified) and place the information on its official website within one month after acceptance of final report by IDA.

22. **Implementation Support Plan:** The World Bank's FM implementation support mission will be consistent with a risk-based approach, and will involve a collaborative approach with the entire Task Team. Based on the current overall residual FM risk, the project will be supervised twice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way. A first implementation support mission will be performed six months after the project effectiveness. Afterwards, the missions will be scheduled by using the risk based approach model and will include the following diligences: (i) monitoring of the financial management arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during Implementation (ISR); (ii) integrated fiduciary review on key contracts, (iii) review the IFRs; (iv) review the audit reports and management letters from the external auditors and follow-up on material accountability issues by engaging with the task team leader, Client, and/or Auditors; the quality of the audit (internal and external) also is to be monitored closely to ensure that it covers all relevant aspects and provide enough confidence on the appropriate use of funds by recipients; and, (v) physical supervision on the ground specially; and (vi) assistance to build or maintain appropriate financial management capacity; (vii) the supervision mission will include transactions reviews of expenditures occurred at both central and provincial level.

23. **Conclusions of the FM Assessment:** The overall residual FM risk at preparation is considered **Substantial**. The proposed financial management arrangements for this project are considered adequate to meet the World Bank's minimum fiduciary requirements under OP/BP10.00.

## *Procurement*

### **General**

24. Procurement for this project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits "dated January 2011(Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the provision

stipulated in Financing Agreement. The various procurement actions under different expenditure categories are described in general below. For each contract to be financed under the Financing Agreement, the various procurement or consultant selection method, the need for pre-qualification, estimated costs, prior review requirements, and time frame have been agreed between the borrower and the World Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The implementing entities, as well as contractors, suppliers and consultants will observe the highest standard of ethics during procurement and execution of contracts financed under this project. "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA and Grants" dated October 15, 2006 and updated January 2011 (the Anti-Corruption Guidelines) shall apply to the project.

**Reference to the National Procurement Regulatory Framework**

25. For all contracts awarded through NCB method, the World Bank may authorize the use of the national institutions and regulations that comprise the law including its texts of application, the institutions set up for the control and regulation and the institutions responsible for procurement activities implementation. The national competitive bidding procedures currently in force in the DRC deviate slightly from the World Bank Procurement Guidelines NCB procedures for procurement of Works, Goods and services (other than consultants services); thus, they have been already reviewed and appropriate modifications have been proposed to assure economy, efficiency, transparency, and broad consistency with the provisions included in Section I and paragraphs 3.3 and 3.4 of the World Bank Procurement Guidelines (refer to the paragraph below).

**Requirements for National Competitive Bidding.**

26. National Competitive Bidding may be used subject to using the open procedure (“*appel d’offres ouvert*”) set forth in the Recipient’s Public Procurement Law No 10/010 dated April 27, 2010 (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No 10/22 dated June 2, 2010 (the “Manual of Procedures”); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

- (a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the World Bank before their use during the implementation of the Project;
- (b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a) (i) and 1.10(a) (ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process.

- (c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later;
- (d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents;
- (e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents;
- (f) **Preferences:** No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;
- (g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site;
- (h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines;
- (i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance;
- (j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract;
- (k) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15 (fifteen) percent or more must be done through an amendment to the signed contract instead of signing a new contract.

## **Items to be procured and the methods to be used**

27. **Advertisement:** General Procurement Notice (GPN), Specific Procurement Notices (SPN), Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011. For this purpose, the CFEF Unit will prepare and submit to the World Bank a General Procurement Notice (GPN). Specific Procurement Notice (SPN) for all goods, non-consulting services and works to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$200,000.00 and above will be published in Dg Market, on the World Bank's external website, and in the national press, in addition to other media with wide circulation. All other specific procurement notices and other requests for expression of interest shall be published at a minimum in the national press with wide circulation.

28. **Procurement of goods and non-consultancy services:** Goods procured under this project will include mainly items that will improve the work conditions of the implementing agencies and institutions to be supported by the project; they comprise computer equipment; office furniture; data collection tools; and software. Non-consultancy services procured under this project will include workshops, maintenance of office equipment, training in the region and abroad. Depending on the size of the contracts, procurement will be done either under ICB using World Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the World Bank. Small value goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines.

29. **Selection and employment of Consultants:** Consultancy services would include advisory services, feasibility studies, and technical studies. The selection method will be Quality and Cost Based Selection (QCBS) method whenever possible. Contracts for specialized assignments estimated to cost less than US\$200,000 equivalent may be contracted through Consultant Qualification (CQ). The following additional methods may be used where appropriate: Quality Based Selection (QBS); Selection Based on the Consultants' Qualifications (CQS); Selection under a Fixed Budget (FB); and Least-Cost Selection (LCS).

30. Short lists of consultants for services estimated to cost less than the equivalent of US\$100,000 per contract for ordinary services and US\$200,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they will not be excluded from consideration.

31. Single Source Selection (SSS) may be employed with prior approval of the World Bank and will be in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines. This category may cover: (i) technical assistance from UNESCO for Sub-component 1.1; and (ii) audit by WHO for Component 2.

32. All services of Individual Consultants (IC) will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Guidelines.

33. **Operating Costs:** Operating costs shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travel costs, training costs, workshops and seminar and associated costs, among others. Operating costs will not include salaries of civil servants.

34. **Training and Workshops.** Training and workshops will be based on capacity needs assessment. Detailed training plans and workshops activities will be developed during project implementation, and included in the project annual plan and budget for World Bank's review and approval.

### **Implementation arrangements for procurement and assessment of procurement agency capacity**

35. **Guiding principles of the implementation of the procurement:** Government and the World Bank have agreed to mainstream the implementation of the project into the existing entities and structures and will be framed by the following principles: (i) line ministries to be made more responsible and accountable in projects implementation including fiduciary aspects; (ii) equity; and (iii) performance-based agreements. As a consequence of the statements above, procurement activities for each component of the project will be carried out within the line ministry by the Procurement Management Unit named CGPMP (*Cellule de Gestion des Projets et Marchés Publics*) that reports to the General Secretary of the said line ministry.

36. Procurement capacities were evaluated in December 2013 in all line ministries involved in the implementation of the project; apart from the CGPMPs of Ministry of Education and Ministry of Finance which are currently executing the two World Bank financed projects under the Global Partnership for Education and the Western Growth Poles Project, the staff of the remaining three CGPMPs (Ministry of Labor and Social; Ministry of Social Affairs; and Ministry of Public Health) still have a limited experience on World Bank procurement rules and procedures although their concerned staff has attended procurement training courses on the new procurement system and a workshop on World Bank procurement procedures. To strengthen their capacity a procurement expert will be recruited to provide periodic technical support and training to the CGPMPs.

### **Assessment of the risks and the related mitigation measures**

37. The key issues and risks concerning procurement for implementation of the project have been identified and include: (i) Procurement staff have no experience in implementing World Bank-funded projects or staff experience is limited to procurement of goods through NCB and shopping procedures, with no experience in ICB procedures of selection of large-value consultancy contracts; (ii) the record keeping is inadequate; (iii) the working environment is inadequate in terms of space for procurement records and working space for procurement staff; (iv) the qualifications of procurement staff are inadequate; and (v) there is lack of clear

procedures and guidelines spelled out in manuals; (vi) Government officials likely to be involved in project procurement through tender and evaluation committees may not be familiar with procurement procedures according to World Bank guidelines and rules; (vii) Control and regulation mechanism according to the provisions of the Country procurement law and its application procedures could delay the procurement process if mandatory reviews are required.

38. **The overall unmitigated risk for procurement is high.** Proposed corrective measures which have been agreed to mitigate the risk are summarized in the following table.

**Table 7: Action Plan for Strengthening Procurement Capacity**

Ref.	Tasks	Responsibility	Due date
1	On the job training of identified procurement staff on World Bank procedures by the recruited Procurement Expert.	All CGPMPs	Periodically
2	Training of staff (at least two of each line ministry) on World Bank procurement procedures in a specialized institution performing in DRC or abroad.	All CGPMPs	Three months after effectiveness
3	Set up the project filing system in order to better keep procurement documents and reports and identify a staff responsible for this task. Train staff in data management.	All CGPMPs	Three months after effectiveness
4	Establish a better working space for procurement records and procurement staff	Line Ministries	Three months after effectiveness
5	Prepare and adopt an administrative and financial manual	Coordination Unit (CFEF Unit) within Ministry of Finance	Three months after effectiveness
6	Identify the root cause of procurement delays at National level and propose appropriate solutions	All CGPMPs, DGCMP, ARMP and CSPP/World Bank	Done

## Procurement Plan

39. The Borrower has prepared a Procurement Plan for the first 18 months of the project implementation which provides the basis for the procurement methods. This plan has been agreed between the borrower and the World Bank during negotiations. It will also be available in the project's database and on the World Bank external website. The Procurement Plan will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

**Table 8: Thresholds for Procurement Methods and Prior Review**

### 1. Contracts for goods and works

<u>Procurement Method</u>	<u>Threshold for the method in 1000 US\$</u>	<u>Bank review in 1000 US\$</u>
(a) International Competitive Bidding (ICB)	US\$10,000 or more for works, US\$1,000	US\$ 5,000 for works and US\$500 for goods
(b) National Competitive Bidding	All contracts estimated below the ICB threshold and above shopping ceiling	US\$5,000 for works and US\$500 for goods and the first two contracts

(c) Shopping	Below US\$200 for works and US\$100 for goods	Post review
(d) UN procurement agencies	No threshold	All contracts
(f) Direct contracting	No threshold	All contracts

## 2. Contracts for consultant services

<u>Procurement Method</u>	<u>Threshold for the method in 1000 US\$</u>	<u>Bank review in 1000 US\$</u>
(a) Selection based on quality and cost	No threshold	All contracts estimated above US\$200
(b) Least Cost Selection (LCS)	No threshold	All contracts estimated above US\$200
(c) Selection Based on Consultant Qualifications (SQC)	US\$200	All contracts estimated above US\$200
(d) Individual Consultants	No threshold	All contracts estimated above US\$100
(f) Single Source Selection	No threshold	All contracts

All ToRs regardless of the value of the contract are subject to prior review.

### Frequency of procurement supervision

40. In addition to the prior review supervision to be carried out from World Bank offices, the capacity assessment of the CGPMPs have recommended at least one implementation support mission to visit the field to carry out post review of procurement actions. As agreed with the government, contracts will be published on the web. Annual compliance verification monitoring will also be carried out by an independent consultant and would aim to: (i) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement; (ii) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (iii) review and comment on contract administration and management issues as dealt with by the implementation entity; (iv) review capacity of the implementation entity in handling procurement efficiently; and (v) identify improvements in the procurement process in the light of any identified deficiencies.

41. **Contract Management and Expenditure Reports.** As part of the Procurement Management Reports (PMR), the PS-MINFIN will submit contract management and expenditure information in quarterly reports to the CSPP/World Bank for the whole project. The procurement management report will consist of information on procurement of goods, works and consultants' services and compliance with agreed procurement methods. The report will compare procurement performance against the plan agreed at negotiations and, as appropriate, update at the end of each quarter. The report will also provide information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes, if any. These contract management reports will also provide details on payments under each contract, and will use these to ensure no contract over-payments are made or no payments are made to sanctioned entities.

**Table 9: Procurement Arrangements Involving International Competition**

**1. Goods and Non Consulting Services**

(a) List of main contract packages to be procured following ICB and direct contracting

1	2	3	4	5	6	7	8	9
Ref.	Contract (Description)	Estimated Cost in million (USD)	Procurement Method	P-Q	Domestic Preference (Yes/No)	Review by Bank (Prior/Post)	Expected Bid-Opening Date (dd/mm/yy)	Comment
	Procurement of IT equipment and software for the health information management system and related training	3.257	ICB	No	No	Prior	Aug 2014	

**2. Consulting Services**

(a) List of main consulting assignments with short-list of international firms

1	2	3	4	5	6	7
Ref.	Contract (Description)	Estimated Cost in million (USD)	Selection Method	Review by Bank (Prior/Post)	Expected Bid-Opening Date (dd/mm/yy)	Comment
1	Technical assistance from UNESCO to the education information management system (SIGE) and to the education mapping	1,970	SSS	Prior	NA	SSS with UNESCO
2	Survey 1 for the Service Delivery Indicators	1,200	QCBS	Prior	Sept 2014	
3	Survey 2 for the Service Delivery Indicators	1,200	QCBS	Prior	Dec. 2017	
4	Long-term technical assistance by an international consultant for the DPM in the Ministry of Public Health	0.500	IC	Prior	Sept 2014	
5	Review of the DPM by WHO	0.020	SSS	Prior	Jul 2014	SSS with WHO
6	Long-term technical assistance by an international consultant for the FEDECAME	0.750	IC	Prior	Aug 2014	
7	Organizational, logistic and financial review of the SNAME	0.325	QCBS	Prior	Nov 2014	
8	Study on vulnerability in DRC	0.600	QCBS	Prior	Nov 2014	
9	Independent audit of the project	0.250	QCBS	Prior	Nov 2014	

(b) Short lists composed entirely of national consultants: short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

*Environmental and Social (including safeguards)*

42. **The Project environmental rating is Category C.** Institutional capacity building at national, provincial and sub-provincial levels is the focus of the project. No environmental or social safeguards policies have been triggered for this project. There will be no civil works, or investments that would induce land acquisition or social exclusion. Enhanced planning may contribute to enhanced work environment and protection, to the benefits of education, health and social protection service clients. Long term social benefits are expected to be nationwide. Potential social benefits would include, but are not limited to: enhanced planning and delivery of education, health and social protection services at national, provincial and sub-provincial and local level; improved public and private planning of education, health and social protection services; job security; induced development; improvement in the safety and quality of education, health and social protection services. The project will benefit children, women, men and elderly and the physically challenged by responding to their education, health and social protection planning needs.

*Monitoring & Evaluation*

43. **The project will track achievements along the results chain to ensure transparency, accountability, feedback and learning.** The project's monitoring system will provide data needed for assessing the project performance and will form the basis for the implementation support reviews carried out every six months by the World Bank with the client and partners. Annex 1 provides the results framework including PDO indicators and intermediate outcome indicators. Results monitoring at the PDO level will concentrate on changes in utilization of data for planning and decision making (including increased transparency) and in improvements in the effectiveness of the system for regulating and supplying essential medicines. Intermediate results indicators will focus on improvements in systems capacity.

44. **The CFEF unit in the Ministry of Finance will have overall responsibility for monitoring and evaluation of the project.** The unit will rely on information generated by the line ministries for the activities under their purview. Given the weak capacity for monitoring and evaluation in some of the line ministries, the CFEF unit will also provide technical assistance to the line ministries in this area as required, to ensure robust results tracking and to build capacity for the line ministries to undertake this function on their own in the future. The detailed Project Implementation Manual provides more details on the frequency and type of results reporting for the project. Results reports for the overall project will be produced every six months; they will be reviewed by the Steering Committee as well as by the World Bank during implementation support missions. Most of the indicator data will be gathered by the line ministries themselves, except for two independent surveys at years three and five of the project. The survey data will complement routine data as a basis for the project mid-term review and for the final project implementation completion report. The independent surveys will be commissioned by the CFEF Unit and financed through Component 3 of the project.

45. **An important function of the monitoring system will be to generate feedback to the line ministries on performance.** The regular project results reviews, which will be based on the data generated by the monitoring system, will generate lessons that will be shared across

participating ministries through the Steering Committee meetings, thus facilitating cross-sectoral learning.

### *Role of Partners*

46. The project will be implemented in close coordination with development partners that are financing technical assistance and other types of investments in the social sectors. Each sector has a thematic group for development partner coordination in which the World Bank is an active participant. These thematic groups were consulted during the preparation of the project and helped set the priority areas in which the project will finance technical assistance. These same groups will also continue to be consulted as the project is implemented; when it faces challenges that would benefit from the inputs of the partners and when it generates lessons from which all could benefit.

47. The development partners that support the social sectors are increasingly supporting (and some are directly using) government systems to enhance service delivery. This has led to a substantial increase in technical assistance, particularly in education and health. The two thematic groups responsible for these sectors have started developing better coordination mechanisms for this technical assistance (e.g. a multi-year road map for reforms in the education sector with related TA requirements). The partners have also started exploring common financing mechanisms to improve coordination and efficiency. One possible financing mechanism could be a World Bank multi-donor trust fund which could eventually co-finance this proposed project.

48. Some of the United Nations technical agencies, specifically UNESCO, the World Health Organization (WHO) and UNICEF, have been identified by the government as technical partners for the implementation of this project. Given the weak capacity in the participating ministries, this technical support is expected to enhance project performance. Care will be taken, however, to ensure that capacity is built within the line ministries during implementation so as to reduce the need for such technical support over time.

**ANNEX 4 OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)**

**Democratic Republic of Congo: Human Development Systems Strengthening (P145965)**

Project Stakeholder Risks							
Stakeholder Risk	Rating	Substantial					
<p><b>Risk Description:</b></p> <p>The following four types of stakeholder risks have been identified: i) some private sector providers of essential medicines may resist the tightening of regulation and control of quality of essential medicines and attempt to side-track the reform and/or to bribe officials who try to enforce; ii) civil society participation may be limited in the implementation of the systems strengthening, thus limiting public engagement; iii) increased use of information technology in the systems should increase transparency, which may pose a political economy risk as some actors may lose rent seeking opportunities, iv) some non-governmental service providers in health and education may resist taking part in the information management systems and surveys to be supported by the project.</p>	<b>Risk Management:</b>						
	The support to strengthen supply management and quality control of essential medicines will build in political economy analysis in order to understand and address the incentives that are driving some of the current behavior.						
	<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
	Client	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous	
	<b>Risk Management:</b>						
	The project appraisal will specifically examine the role of civil society and ensure that the design entails adequate participation. The implementation support will also track civil society participation.						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>		
Bank	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous		
<b>Risk Management:</b>							
Whenever possible (e.g. when selecting provinces) the project will prioritize working with those provinces who express an interest in and commitment to the systems strengthening that is envisaged by the project. The project will also seek out champions who are reform-oriented. Finally, the communications strategy will build constituency by, for instance, communicating achievements and efficiency gains of the reforms.							
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>		
Both	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous		

	<p><b>Risk Management:</b> The line ministries will address this risk through the communications strategy. Given past (positive) experience with the current information management systems, this is not anticipated to be a significant risk.</p> <table border="1" data-bbox="890 354 1942 461"> <tr> <td><b>Resp:</b></td> <td><b>Status:</b></td> <td><b>Stage:</b></td> <td><b>Recurrent:</b></td> <td><b>Due Date:</b></td> <td><b>Frequency:</b></td> </tr> <tr> <td>Client</td> <td>Not Yet Due</td> <td>Implementation</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Continuous</td> </tr> </table>						<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	Client	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>													
Client	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous													
<b>Implementing Agency (IA) Risks (including Fiduciary Risks)</b>																		
<b>Capacity</b>	<b>Rating</b>	<b>Substantial</b>																
<p><b>Risk Description:</b> The capacity within line ministries to design and implement the systems strengthening activities will be limited and affect the timeliness and quality of implementation. For instance, there has been very limited experience with the use of GIS systems in the ministries. The existing capacity for the regulation of the pharmaceutical sector is also limited. There is also limited capacity for highly technical areas of procurement, such procurement of IT equipment.</p>	<p><b>Risk Management:</b> The project has been specifically designed to focus on capacity building. It will be heavily focused on enhancing capacity through a range of approaches from training, to direct coaching by seconded experts, to provision of information technology to facilitate communication. The Bank will also provide additional technical assistance through, for instance the team that designs the SDI surveys -- additional quality assurance capacity will be paid for from Bank grant resources for quality assurance of survey implementation. Some UN partners (e.g. UNESCO and WHO) have already come forth during preparation to express their availability to provide technical support to the client during implementation.</p> <table border="1" data-bbox="890 922 1942 1029"> <tr> <td><b>Resp:</b></td> <td><b>Status:</b></td> <td><b>Stage:</b></td> <td><b>Recurrent:</b></td> <td><b>Due Date:</b></td> <td><b>Frequency:</b></td> </tr> <tr> <td>Both</td> <td>Not Yet Due</td> <td>Both</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Continuous</td> </tr> </table>						<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	Both	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>													
Both	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous													
<b>Governance</b>	<b>Rating</b>	<b>High</b>																
<p><b>Risk Description:</b> The current political will for reform of the social sectors might wane with Cabinet shuffles and/or elections. The President has announced the formation of a new government of national unity which may affect the current climate of reform. Another related risk is that there may be weak demand from some provinces/ministries for some of the areas of systems strengthening proposed in the project.</p>	<p><b>Risk Management:</b> The project will seek out champions for the systems strengthening that is proposed. Through the communications strategy, the project will ensure that the gains are visible, thus providing senior government officials' results which they can communicate which should in turn enable them to keep championing the systems strengthening. The team is also exploring with the Bank's governance team the possibility of obtaining additional resources to undertake (during preparation) a survey of provinces to identify those who are most ready to participate in this project.</p> <table border="1" data-bbox="890 1377 1942 1421"> <tr> <td><b>Resp:</b></td> <td><b>Status:</b></td> <td><b>Stage:</b></td> <td><b>Recurrent:</b></td> <td><b>Due Date:</b></td> <td><b>Frequency:</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>													

	Both	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous
<b>Risk Management:</b>						
The Bank has carried out its usual procurement and financial management assessments during preparation and identified in the PAD key actions to limit procurement and financial management risk. In designing the systems, a strong focus will be given to the incentives that guide the behavior of officials and measures will be taken to recalibrate incentives as required.						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Both	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous	
<b>Risk Management:</b>						
The project implementation manual will outline clear procurement and financial management processes. The financial management functions of the project will be centralized in the coordination unit, who will carry out the payment function. In addition to fulfilling a quality control function, the same unit will also provide support to build the capacity of ministries.						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Client	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous	
<b>Risk Management:</b>						
The client will have an agreement with UNESCO to provide quality assurance for implementation of the SIGE sub-component. They will also have support from a range of development partners for the implementation of the SNIS component.						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Client	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous	
<b>Project Risks</b>						
<b>Design</b>	<b>Rating</b>	<b>Substantial</b>				
<b>Risk Description:</b>	<b>Risk Management:</b>					
The project would be at risk to "spreading itself too thin",	The project design process will focus on only a few critical foundational building blocks and will avoid technical areas (e.g. PFM) which are supported by other development					

<p>given the magnitude of the systems strengthening needs in DRC. Working multi-sectorally may lead to blockages in project implementation. One of the project activities (GIS system) will build on the census which is supported by another Bank-financed project and thus runs the risk of delays if that project encounters implementation difficulties.</p>	partners.					
	<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>
	Both	In Progress	Preparation	<input checked="" type="checkbox"/>		Continuous
	<b>Risk Management:</b>					
	The project will be designed following the principal of "plan multi-sectorally, implement sectorally, review progress multi-sectorally". Despite being linked under thematic areas in the project, each ministry has a distinct set of activities that are not dependent on progress achieved by other ministries. The regular follow-up and technical assistance provided by the project coordination unit will also reduce the likelihood of delays.					
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Client	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous	
<b>Risk Management:</b>						
One of the main technical Bank team members to support the census is also a member of this project team; this will provide better coordination and will alert this project team early on if any delays occur in the census.						
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Bank	Not Yet Due	Implementation	<input checked="" type="checkbox"/>		Continuous	
<b>Social and Environmental</b>		<b>Rating</b>	<b>Low</b>			
<p>Risk Description:</p> <p>The project will not finance the construction of any infrastructure and does not envisage any social risks. There is a (low) risk that the reforms will initially benefit mainly wealthier Congolese citizens.</p>		<b>Risk Management:</b>				
		When designing the systems, care will be taken to ensure that the specific needs of women, the poor and other social groups are taken into consideration. The appraisal conducted by the Bank will specifically examine the impact on women and other groups.				
<b>Resp:</b>	<b>Status:</b>	<b>Stage:</b>	<b>Recurrent:</b>	<b>Due Date:</b>	<b>Frequency:</b>	
Both	Not Yet Due	Both	<input checked="" type="checkbox"/>		Continuous	
<b>Program and Donor</b>		<b>Rating</b>	<b>Substantial</b>			
Risk Description:		<b>Risk Management:</b>				

<p>A few donors are supporting systems strengthening through technical assistance in the social sectors and additional donors (e.g. Belgian Cooperation, DFID, European Union, USAID) are preparing programs which have not yet been shared with development partners; there is a risk of duplication and of lack of coordination.</p>	<p>Each of the sectors has a well-functioning donor coordination mechanism and the project will ensure that the TA plans are shared with the group during project preparation and that regular updates are provided during implementation. The Bank will also call for TA matrices to be prepared for each sector to ensure there is no duplication and to seek synergies.</p>					
<p><b>Delivery Monitoring and Sustainability</b></p>	<p><b>Resp:</b></p>	<p><b>Status:</b></p>	<p><b>Stage:</b></p>	<p><b>Recurrent:</b></p>	<p><b>Due Date:</b></p>	<p><b>Frequency:</b></p>
<p>Risk Description:</p> <p>Monitoring of delivery of the various streams of technical assistance may not be consistent or well organized. The systems strengthening that results from the technical assistance during the project may not be sustained once the project ends.</p>	<p><b>Rating</b></p>	<p><b>High</b></p>				
	<p><b>Risk Management:</b></p> <p>Monitoring mechanisms will be described in detail in the project implementation manual. Monitoring will be spearheaded by the <i>Facilité d'Exécution des Financements en faveur des Etats Fragiles</i> (CFEF) unit in the Ministry of Finance, based on information generated by each ministry. The CFEF unit has a proven track record of ensuring good monitoring of projects.</p>					
	<p><b>Resp:</b></p>	<p><b>Status:</b></p>	<p><b>Stage:</b></p>	<p><b>Recurrent:</b></p>	<p><b>Due Date:</b></p>	<p><b>Frequency:</b></p>
	<p>Client</p>	<p>Not Yet Due</p>	<p>Implementation</p>	<p><input checked="" type="checkbox"/></p>		<p>Continuous</p>
	<p><b>Risk Management:</b></p> <p>The project will have as a modus operandi to work with ministries and provinces that express interest and commitment for the systems strengthening that it will finance. The project will be entirely implemented using government structures. As often as possible, any internationally sourced TA will be twined with national experts to enable transfer of knowledge. The program of TA proposed in this project is part of a broader government driven program that benefits from the support of several development partners who will be informed on a regular basis of progress to build their ownership.</p>					
	<p><b>Resp:</b></p>	<p><b>Status:</b></p>	<p><b>Stage:</b></p>	<p><b>Recurrent:</b></p>	<p><b>Due Date:</b></p>	<p><b>Frequency:</b></p>
	<p>Both</p>	<p>Not Yet Due</p>	<p>Both</p>	<p><input checked="" type="checkbox"/></p>		<p>Continuous</p>
				<p><input type="checkbox"/></p>		
<p>Overall Risk</p>						
<p><b>Overall Implementation Risk:</b></p>	<p><b>Rating</b></p>	<p><b>High</b></p>				

Risk Description:

The overall implementation risk for this project is considered High. This is because, in addition to the overall country risks and the high number of direct stakeholders, the risks related to the targeted ministries' low implementation capacity as well as the (high) fraud and corruption risks become factors during implementation. The fragility which DRC is facing is also more of a risk during implementation than during preparation. A project such as this one that involves four targeted ministries also runs the risk of poor coordination among the ministries and the emergence of rivalries. One of the project activities (GIS system) will build on work supported by another Bank-financed project and thus run the risk of delays if that project encounters implementation difficulties. Finally, increased efficiency in the systems should increase transparency, which may pose a political economy risk as some actors may lose rent seeking opportunities.

## ANNEX 5: IMPLEMENTATION SUPPORT PLAN

### Democratic Republic of Congo: Human Development Systems Strengthening

#### Strategy and Approach for Implementation Support

1. The implementation support plan for the project has been developed based on the specific nature of the project activities, the existing capacity of the implementing ministries, the fragile environment in DRC, lessons learned from past operations in the country and sector and the project's risk profile in accordance with the Operational Risk Assessment Framework (ORAF). This plan also reflects the assessment conducted by the World Bank during project Appraisal which was building on lessons learned from several years of engagement in the social sectors in DRC. As noted, the capacity of the implementation agencies is weak in a number of areas including financial management and procurement. The sole focus of this TA project is capacity development. Despite having designed the project to focus heavily on training and other forms of capacity building, it is anticipated that the project will require higher than average implementation support, particularly in the first two years when quarterly Bank missions are planned to focus on the following areas:

- a. **Technical:** Support will be provided to ensure strong quality of the technical assistance. For example, it is anticipated that the World Bank would need to provide implementation support in key technical areas such as the Service Delivery Indicator (SDI) surveys, GIS mapping and pharmaceuticals regulation and supply chain management.
  - b. **Operations:** An operations team in AFTHW based in Kinshasa and Washington, will provide overall operations guidance and advisory support to the team.
  - c. **Communications:** Support will be provided for the design and implementation of the communication strategy for the project.
  - d. **Financial management:** Supervision will review the project's financial management arrangements, including but not limited to, accounting, reporting and internal controls.
  - e. **Procurement:** Implementation support will include: reviewing procurement documents and providing timely feedback to implementing agencies; providing detailed guidance as required on the World Bank's Procurement Guidelines; and monitoring procurement progress against the detailed Procurement Plan.
2. **Implementation Support Plan.** The implementation support will be obtained by the implementation agencies through two sources: i) direct support from the World Bank team; and ii) contracting.
- a. **Direct support from World Bank:** Several of the World Bank team members including the TTL are based in Kinshasa and will be able to provide on-going implementation support, with additional inputs provided from team members based in Washington and elsewhere. The World Bank team will require sufficient resources to carry out implementation support missions every three months during the first two years and every six months in subsequent years. The volume of

support is expected to be particularly high in the first two years of project implementation.

- b. **Contracting by implementing agencies:** The implementation agencies are also planning to contract individuals and firms to provide them the implementation support they will require. Some of these agencies have already been identified in this document.
3. **Financing of implementation support plan:** The team will require a BB budget to support this project commensurate with the risk profile and complexity of the project. In addition to the BB budget, some Bank-executed resources will be available from a trust fund to support the implementation of the SDI surveys. Project funds will be used by the implementing agencies to hire individuals and firms as required.
4. The main focus of implementation support is summarized in the tables below.

**Table 10: Implementation Support**

<i>Time</i>	<i>Focus</i>	<i>Skills Needed</i>	<i>Resource Estimate</i>	<i>Partner Role</i>
<i>First twelve months</i>	<i>Setting up the information management systems, hiring the technical advisers for the pharmaceuticals, initiating the social protection studies, developing communications strategy</i>	<i>Procurement (especially IT), Financial Management, Quality assurance of TORs for pharmaceutical experts, health and education systems expertise, quality assurance of the social protection studies, strategic communications planning</i>	<i>\$250,000, in addition to the technical expertise already included in the project</i>	<i>UNESCO to support the SIGE, close coordination with partners on the SNIS, WHO to collaborate on the pharmaceuticals, UNICEF to support technical quality assurance for social protection studies</i>
<i>12-48 months</i>	<i>Utilization of data for decision making, use of data by communities, capacity strengthening of the pharmaceutical systems, implementing communications strategy</i>	<i>Technical support to ministries for planning, support with demand-side governance approaches, ongoing technical experts to support pharmaceuticals</i>	<i>\$200,000 per year, in addition to the technical expertise already included in the project</i>	<i>UNESCO to support the SIGE, close coordination with partners on the SNIS, WHO to collaborate on the pharmaceuticals, UNICEF to support technical quality assurance for social protection studies</i>

<b>Skills Needed</b>	<b>Number of Staff Weeks (per year)</b>	<b>Number of Trips/year</b>	<b>Comments</b>
Task Team Leader	6 weeks	3-4 domestic trips	Assumes TTL is based in Kinshasa
Operations Officer	4 weeks	2	
Communications Specialist	2 weeks	0	Based in Kinshasa
Pharmaceuticals Chain Specialist	4 weeks	2	
IT/GIS Specialist	4 weeks	2	
Procurement Specialist	3 weeks	2 domestic trips	Based in Kinshasa
Financial Management Specialist	3 weeks	2 domestic trips	Based in Kinshasa
Education Specialist	3 weeks	2 domestic trips	Based in Kinshasa
Governance Specialist	3 weeks	2	Based in Tanzania
Service Delivery Indicator (SDI) Survey Specialist	12 weeks in years 2 and 4	3 trips in years 2 and 4	
Social Protection Specialist	3 weeks	2 domestic trips	Based in Kinshasa

**Table 11: Role of Partners**

<b><i>Name</i></b>	<b><i>Institution/Country</i></b>	<b><i>Role</i></b>
<i>UNESCO</i>	<i>IPPE/Paris and UNESCO Country Office</i>	<i>Technical support to the Ministry of Education for the implementation of the SIGE and of the GIS mapping</i>
<i>UNICEF</i>		
<i>WHO</i>	<i>WHO Regional and Country Offices</i>	<i>Technical support for the pharmaceutical component, particularly the support for strengthening the DPM</i>
<i>Members of the sectoral thematic groups</i>	<i>All bilateral and multilateral agencies with investments in education, health and social protection</i>	<i>Provided guidance during project design and preparation. Will continue to serve as a “sounding board” as the project progresses.</i>

## ANNEX 6: ECONOMIC ANALYSIS

### Democratic Republic of Congo: Human Development Systems Strengthening

#### I. What is the Project's Development Impact?

1. In recent years, the Democratic Republic of Congo (DRC) has experienced steady economic development, with real GDP growth averaging more than seven percent since 2010. Still, poverty levels remain extremely high and the country currently ranks last on the Human Development Index. In addition, DRC has one of the highest population growth rates in Africa (2.8 percent per year), putting massive pressure on all sectors. It is estimated that the population will double within 25 years.

2. Investments in human development are necessary for the country to sustain its economic development and maximize its growth potential. Investments in health, education, and social protection save lives, strengthen labor markets, improve productivity, stimulate economic growth, reduce poverty, and promote global security (Sen 1989; Sachs 2001; UNDP 2013). Low levels of human capital investment and poor health not only threaten the solvency of individual households, but also have adverse macroeconomic consequences. For example, it increases demand for poverty alleviation programs and distorts the balance between saving and consumption.

3. The aim of this technical assistance project in DRC is to strengthen select management systems for education and health services in targeted geographic areas. The project will strengthen two types of management systems: (i) education and health information management systems; and (ii) systems for regulation, procurement and logistics related to essential medicines. The higher level objective is to increase efficiency in the education, health, and social protection systems to improve human development outcomes. Specifically, the project aims to increase access to social services by enhancing governance and service delivery systems. Efficiency gains, in turn, should boost confidence in these systems and may incentivize the government and other donors to increase investments in the social sectors.

#### *Education, Health and Social Protection Sectors: General Overview*

4. In DRC, the education, health, and social protection systems have improved in the last decade, but important challenges remain and the country is not on track to meet any of the Millennium Development Goals (MDGs) by 2015. The sectors are chronically underfunded: in 2012, the government only invested 13 percent, four percent, and one percent of the national budget in the education, health, and social protection systems, respectively. Much of the financing for health and education thus comes from development partners, households, and non-profit organizations such as faith-based groups.

5. Although free primary education is a constitutional right, the efficiency of the education system is undermined by the absence of a system of rational and transparent resource allocation, corruption and weak governance, the multitude of stakeholders at the national and local levels, and geographical and logistical issues (Ministère de l'Enseignement 2010; World Bank 2013). As

a result, the cost of education continues to increase for households across the 30 educational provinces. In 2007/08, only 40 percent of first year students were aged 6 (i.e. legal entry age), with approximately 60 percent being between the ages of seven and 10 years. In addition, about 33 percent and 64 percent of primary and secondary school teachers were unqualified, respectively. Recent reports highlight the lack of materials and classrooms in many parts of the country (Ministère de l'Enseignement 2010).

6. Consequently, learning outcomes have been adversely affected. Only 65 percent and 57 percent of students passed the year-six primary school exam (TENAFEP) in 2006 and 2007, respectively. There are high rates of children repeating grades (17.3 percent and 9.3 percent in years three and six, respectively) or dropping out (19.4 percent and 14.4 percent in years one and six, respectively) (Ministère de l'Enseignement 2010). These results vary across sexes, provinces, rural and urban settings, and socioeconomic classes. For example, family wealth and gender are important determinants of school attendance: 70 percent of the poorest females aged 7-16 have never been to school, while 76 percent of the poorest females aged 15-24 have not completed primary education. Children from low-income families are especially unlikely to attend schools in conflict-affected regions, such as Katanga (UNESCO 2012b).

7. Health sector improvements are hampered by many of the same issues, including inequitable access to services, weak governance structures, low government investment, high out-of-pocket expenditure, and poor information availability (Ministère de la Santé Publique 2010, 2013; Health Systems 20/20 Project 2011). The life expectancies at birth for males and females are only 48 and 51 years, respectively. The probability of dying under the age of five (146 per 1,000 live births), maternal mortality rate (549 deaths per 100,000 live births), and infant mortality rate (97 deaths per 1,000 live births) are exceptionally high. Approximately 15,000 mothers die giving birth each year, which corresponds to an average of two deaths per hour. DRC is part of a group of six countries that account for nearly 50 percent of global maternal mortality (Ministère de la Santé Publique 2013).

8. In 2009, the total health expenditure was approximately US\$13 per capita per year, of which 43 percent was paid out-of-pocket (Health Systems 20/20 Project 2011). This has resulted in an inadequate number of health professionals, insufficient access to medical supplies and equipment, and other shortcomings (Ministère de la Santé Publique 2010). Given that health investment is very low and the system offers weak financial protection, the efficient allocation of resources is especially important to ensure that high value for money is achieved with these limited resources. Like the education sector, the health sector is characterized by pervasive inequities in access to services and outcomes across regional, gender, and socioeconomic boundaries.

9. The degree of social protection in DRC is very weak and the few available resources and services are inequitably distributed, particularly along gender lines. Twenty-eight percent of women have never gone to school, compared to 14 percent for men. Only 55 percent of women participate in the workforce compared to 85 percent of men. It is estimated that 71 percent of the population lives on less than US\$1.25 per day. Nearly half (43 percent) of children under five years are chronically malnourished.

## *Analysis Methodology*

10. Given the current situation, the country is in need of interventions to strengthen human development systems. Several alternatives were explored before the present proposal was chosen. In terms of project technical interventions, a range of possibilities were considered, including strengthening human resource management systems (e.g. biometric identification of staff) in addition to those systems selected in this project, enhancing capacity for procurement and financial management, addressing cross-sectoral priorities such as child malnutrition, and supporting information management systems in social protection (in addition to health and education). The team also discussed, given the relatively small project value, whether to work in a pilot mode or to provide support for scaling up systems capacity; the latter option was chosen in order to accelerate the pace of systems reform and enable the World Bank investment to play a catalytic role. The focus on scaling up also provides better complementary support to existing and new World Bank operations in health and education than a pilot approach. While all of these priorities had been identified by the thematic working groups as areas of high need, the team decided to focus on just a few core technical areas to reduce project implementation complexity and take best advantage of synergies with other sources of financing.

11. In terms of implementation modalities, first it was considered whether the World Bank could contract technical agencies and non-governmental organizations (NGOs) to provide technical assistance to the various levels of government. This alternative was rejected because it is not how the World Bank typically works and it would have reduced the government's ownership of the reforms and increased sustainability risks. Second, it was discussed whether the World Bank should provide additional resources to existing or new projects in the social sectors (e.g. PROSEB for education, PARSS and/or its successor for health). This approach was also rejected as it was judged that a project that focuses explicitly on systems strengthening would have a better chance of galvanizing attention on these reforms, rather than larger projects where the emphasis on service delivery tends to predominate.

12. For the present project, it was not feasible to conduct a cost-benefit analysis, as many of the gains will be indirect systems benefits which will lead to more efficient delivery of services. Instead, for each project component, the analysis explores the existing policy and sector environments, the anticipated efficiency gains from the project tasks (relative to the current system), and the available economic evidence from similar projects in other settings. The analysis focuses on the cost-effectiveness of the technical assistance, which aims to maximize the quantity and quality of services provided per unit of investment of public financial resources. First, the implementation process will rely on cost-effective forms of technical assistance. For example, the World Bank procurement rules and procedures will be followed to select project inputs (e.g. equipment) that provide the best value for money. To minimize travel costs, information communication technologies (ICTs), such as smart phones, tablets, laptops, and desktops, will be used whenever possible, while keeping in mind the local conditions in DRC. Throughout the project, high-quality technical expertise will be provided.

13. Second, the project will also build on existing projects, resources, and structures, as well as collaboration with the government and development partners, to generate economies of scale and scope. This will minimize the project preparation, implementation, and monitoring costs.

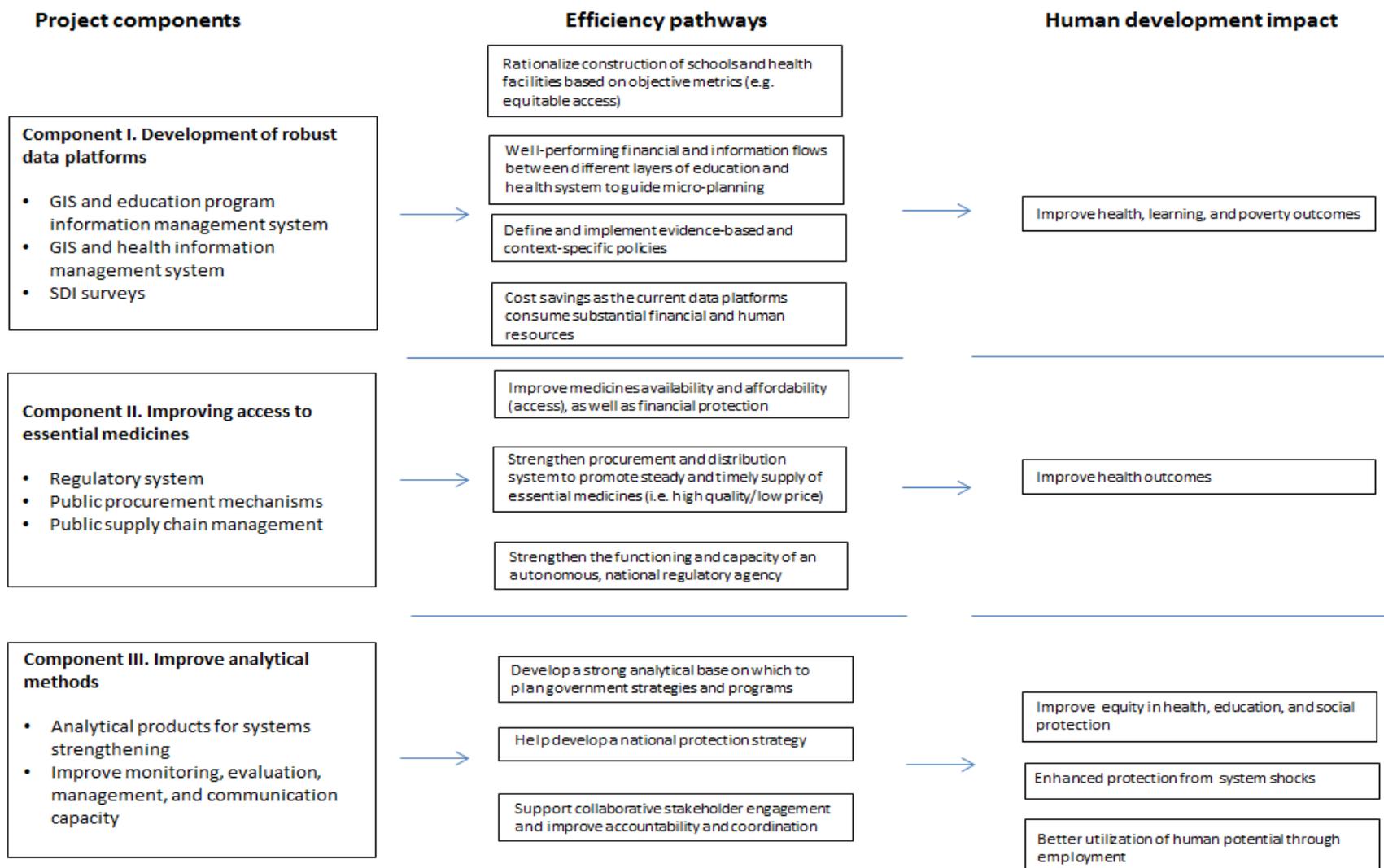
For example, the project will build on the available designs for the education information system, data from the forthcoming national census to populate the GIS models, and available analyses of the constraints in the pharmaceutical supply system. The project will also rely on the existing coordination unit at the Ministry of Finance and project management units in targeted line ministries.

14. Although the overall investment is a relatively small amount for the scale of the country and its challenges, the components were carefully chosen with regard to the systems and geographic areas to maximize the potential for positive improvement. The project is also embedded in a strong dialogue with development partners and serves a complementary role to other ongoing and upcoming projects planned by the World Bank and other partners. The country is receiving additional funding to strengthen the same sectors and systems targeted in this project from the UK Department for International Development (DFID), the European Union (EU), the Belgian Development Cooperation, the United States Agency for International Development (USAID) and the Canadian Department of Foreign Affairs, Trade and Development, among other donors. DRC is part of the Global Partnership for Education (GPE) as is a signatory to the International Health Partnership. Both partnerships have provided useful frameworks and tools to enhance efficiency of cooperation in the sectors and this project is a product of these sectoral harmonization initiatives.

15. It is important to note that the degree of success achieved by the country in realizing these efficiency improvements is largely dependent on the political will and commitment of the country. Although this project will help generate important data that is essential to allocating resources efficiently, there may be variations in the extent to which the data will be used to inform investment decisions. However, the proposed financing from the World Bank and similar support from other donors will help train local personnel to develop the institutional capacity. Also, the elements of this component (as well as Components 2 and 3), have been discussed with the relevant country officials to ensure that the proposed activities match the need expressed by representatives familiar with the local conditions. This should improve the likelihood of data uptake and appropriate use.

16. Overall, this economic analysis concludes that the investment is economically justified and is expected to yield worthwhile gains in efficiency. The anticipated human development impact from this project is presented in Figure 4. For ease of presentation, the figure shows a linear path from the project components to the human development impact. However, it is important to note that there should be cross-fertilization across components. For example, the analytical products from Component 3 could enhance the other project tasks, while the data platforms from Component 1 could help inform the changes to the essential medicines system. The project will contribute to the outlined efficiency pathways, which are expected to improve human development.

**Figure 4: Overview of Human Development Impact**



## ***Component 1: Information Systems (approximately US\$8.44 million)***

### *Background*

17. DRC does not have a reliable system of data collection and management to enable timely and evidence-based decisions. Notably, despite the ongoing decentralization process of the country, the existing program management information systems in the education (SIGE) and health sectors (SNIS) are centralized. In addition, the current systems rely on paper-based processes, produce data too slowly to contribute to decision-making, and do not provide adequate feedback to lower levels in the systems to strengthen service delivery. In the education sector, only annual statistical reports are produced, with very limited utility for planning and management. The annual statistics reports contain raw data which would require some, currently inexistent, analysis capacity to be used for planning education policies.

18. In the health sector, there is routine collection of a wider range of outcome indicators, but the system remains deficient and underutilized. The existing health information management system does not deliver reliable data (e.g. coverage of health services, availability of supplies such as medicines, etc.) to enable the Ministry of Public Health to manage service delivery in a decentralized, data-driven, and timely manner. Instead, data collection is slow and does not take full advantage of available ICTs. In particular, the efficient allocation of resources has been hindered by the lack of information on the different health zones and areas. Without a firm understanding of geographic health boundaries, it is difficult to build new hospitals or procure equipment and supplies for service delivery in an efficient manner (Ministère de la Santé Publique 2010).

19. There is also insufficient data on the quality of the education and health outputs. Most available surveys focus on the demand-side (i.e. households and individuals). Administrative data are self-reported and often of low-quality. While work is needed to redress these quality concerns, certain topics such as competence are not covered and others, like absenteeism, suffer from self-reporting biases.

20. These issues undermine efforts to implement effective policies and to promote the equitable and efficient allocation of resources. For example, to correct some of the aforementioned imbalances in access to education, the Ministry of Primary, Secondary and Professional Education recently decided to allocate US\$100 million from the national budget to the construction of new schools. However, the Ministry does not have a system to distribute these resources according to objective criteria (e.g. population need, the number of schools in a region, gender, social, and geographical equity, etc.), which will likely lead to inefficient outcomes. Currently, it also costs about US\$800,000 to publish an annual report of national education system statistics, which usually contains outdated or incorrect information. With more decentralized, efficient, modern, and reliable IT systems, the production costs of such reports will decrease. The project's focus on building capacity to enable the utilization of the data for decision-making should improve the efficiency of resource allocation.

### *Proposed project tasks*

21. This project will support the Ministries of Public Health and the Ministry of Primary, Secondary and Professional Education to introduce the following data platforms:

1. A geographic information system (GIS) and an education program information management system (approximately US\$3.02 million)
2. A GIS and health information management system (approximately US\$2.68 million)
3. Two service delivery indicator (SDI) surveys (approximately US\$2.74 million)

22. GIS are useful to help map, collect, analyze, and synthesize geospatial data on physical school infrastructure. The GIS system should allow officials to prioritize investments, including new constructions, management of existing infrastructure, human resource development, and acquisition of materials. The availability of accurate data on local conditions (e.g. demographic information and map of physical infrastructure) is particularly important in the education sector, where increases in government and household investments have not generated commensurate improvements in education outcomes. In the health sector, it can be used for monthly graphing of key interventions, health area mapping and health zone management and planning, among other elements.

23. Although the initial phase of support will focus on the mapping of physical infrastructure, it is important to note that future development may focus on expanding the range of functions (e.g. management of human resources and supplies, etc.). This component will build on the 2014 national population and household census, which will use geo-positioning to map all social sector infrastructure of public interest, including public and private schools, health facilities, pharmacies, pre-schools, vocational schools, and shelters. Thus, maps of the infrastructure could be linked to population figures.

24. The information management systems will generate data that could then be used to inform decision-making and micro planning in the two sectors. Instead of simply producing annual reports, the data will highlight where the education and health systems are underperforming. To ensure the quality, accuracy, and validity of the collected information, quality assurance mechanisms will be implemented to help identify inconsistencies in the data that reflect poor quality (i.e. corruption or capacity issues).

25. The indicators collected in the SDI surveys will enable governments and service providers to identify gaps and to track progress within and across countries over time. The SDI process will provide a periodic service delivery report card on education and health care. The broad availability and high public awareness of the indicators is intended to mobilize policymakers, citizens, service providers, donors, and other stakeholders into action.

### *Supporting evidence*

26. Although evaluations of returns on investments in education and health are methodologically challenging, there is a consensus that investments in the knowledge economy and health systems boost productivity. A meta-analysis of studies in high-, middle-, and low-income countries found that for each additional percentage point increase in school enrolment

rates there was a 1-3 percent increase in per capita GDP; an additional year of secondary education in the population stimulated a growth in excess of one percent in per capita GDP. In most of these studies, the quality of education was more strongly correlated with growth than the school participation rates or length of schooling (Sianesi and Van Reenen 2002). Studies have also estimated that the return on investment in education systems in various developed and developing countries ranges between 7-12 percent (Barro 2000; Stevens and Weale 2003). A stronger education system also generates positive externalities for the national economy, including a higher degree of innovation from a more educated workforce, decreased unemployment, and lower crime rates.

27. Strong health systems are also associated with economic growth. In his seminal study for the World Health Organization, Professor Jeffrey Sachs (2001) outlined the case for investing health for economic development. The study concluded that a few, targeted health interventions, among which include strengthening IT infrastructure, could save millions of lives each year, significantly boost productivity, and help bring individuals and families out of poverty. The report highlights the need for better information availability to allocate resources effectively and efficiently.

28. Towards these aims, the literature suggests that ICT can play a central role in education and health system reform. In the health sector, the importance of reliable IT infrastructures to strengthen system performance is well-documented, although systems may experience time lags before the productivity and efficiency gains are realized (e.g. learning curve for new technologies, need for organizational adjustments, etc.) (Devaraj and Kohli 2000). A recent literature review conducted by UNESCO (2012) found that "planning, monitoring, and information" were also prerequisites for informed decision-making and better service delivery at all levels of the education system in low- and middle-income countries (LMICs). The promotion of education system goals (i.e. access, enrolment, equity, and quality) is eminently amenable to an integrated approach to system strengthening across different levels, sub-sectors, and regions. Better data will enable policymakers to introduce quality management processes, redistribution mechanisms, student flow regulation, and other appropriate policies.

29. The reliance on GIS to strengthen the education and health sectors in developing countries is in its infancy. Over the past decade, GIS tools have been increasingly applied to provide technical inputs for education and health planning in LMICs, including Bangladesh, Cambodia, Costa Rica, Indonesia, Mozambique, Nepal, Nigeria, Pakistan, Rwanda, Sierra Leone, South Africa, and Tajikistan, among other countries (Rosero-Bixby 2004; Sugimoto *et al* 2007; Hite 2008; Vanmeulebrouk *et al* 2008; Feikin *et al* 2009; Abbas *et al* 2012; Huerta Munoz and Källestål 2012; McCord *et al* 2013; Schwanke Khilji *et al* 2013; Yao *et al* 2013).

30. However, no economic evaluations of existing schemes have been conducted. Instead, descriptive reviews and qualitative analyses of the merits and demerits of these systems have been published (examples are provided in Table 1). The available evidence suggests that an accurate geospatial understanding of the existing physical infrastructure is needed to implement evidence-based decisions. Specifically, GIS and facility mapping can be useful for micro-planning and evaluations of resource accessibility, especially in countries experiencing decentralization (Hite 2008; Ansumana *et al* 2010; Fisher and Myers 2011).

**Table 12: Country Experiences with GIS in Education and Health**

Country	Sector	Comments
Tajikistan (Baschieri <i>et al</i> 2009)	Education	Observed that higher accessibility, availability, and quality of school services encourage school attendance, while lower economic community conditions deter attendance; highlighted potential of GIS to inform education policy, lower dropout rates, and improve local economic development.
Nepal (Hite 2008)	Education	Mapped schools in selected districts between 2002 and 2004; the initiative produced useful data to guide micro-planning and was considered a success.
Bangladesh (Sugimoto 2007)	Health	Mapped health facilities and other landmarks of interest in a rural area of 435 sq km, covering more than 0.25 million landmarks and 650,000 people. The project output was a household-level, scalable GIS which the authors suggested could enhance the efficiency of care delivery and improve health outcomes.
Rwanda (Huerta Munoz and Källestål 2012)	Health	Delineated the geographical accessibility the primary health care network in a region comprised of seven districts and over two million people. The authors applied spatial coverage modeling to measure the proportion of the population who could access a primary health facility within 60 minutes based on different modes of transportation (i.e. walking, cycling, and public transportation). The GIS technology allowed the researchers to estimate the catchment areas of the existing facilities and provide evidence-based recommendations for planning and resource allocation.
Kenya (Feikin <i>et al</i> 2009)	Health	Found that the rate of clinic visits to rural health facilities in Asembo, Kenya decreased by 34 percent (95 percent CI, 31-37 percent) for every additional km that a residence was located from the nearest health facility. The authors controlled for socioeconomic status, maternal education, household clustering of children, and other relevant factors, and concluded that strategic construction of new health facilities is needed to improve access. The "distance-decay effect" in health care utilization has been observed in other GIS-based studies (Tanser <i>et al</i> 2006; Yao <i>et al</i> 2013).

*Source:* Literature review

GIS and health facility mapping represent effective and efficient instruments to micro-plan the construction of new facilities, which will optimize the use of education and health services. For example, a GIS can capture key information to inform education policies, which should decrease dropout rates and improve local economic development (see Box 1).

**Box 1: The application of GIS to guide education policies**

1. The selection of a unit of analysis for the school mapping exercise.
2. An analysis of the existing educational situation in the base year.
  - a. Inequalities in access by impacted areas and groups.
  - b. Efficiency issues (e.g. repetition and drop-out rates).
  - c. Disparities in elements impacting quality, including facilities (e.g. number of schools, class sizes), transportation routes (e.g. roads), teachers, equipment, and supplies (e.g. school libraries).
3. Detailed projection of enrolment demand potential, including definitions of optimal catchment areas for the schools.
4. Estimation of numbers and identification of locations where schools are to be opened

or closed.

- a. Teacher transfers and distribution.
  - b. School calendar modifications to increase student participation.
  - c. Measures to encourage attendance such as school meals and free school book programs.
5. Estimation of facilities, resources, and supplies to be provided in schools.
  6. Cost estimations.

Source: Hite (2008, p.5), with minor adaptations

### *Human development impact*

31. Overall, the development of robust IT systems, collection of data through SDI surveys, and dissemination of user-friendly reports on the performance of the education and health sectors should catalyze efficiency gains. Notably, it will allow policymakers to:

- A. Rationalize the construction of schools and health facilities based on objective metrics (e.g. need and performance).
  - a. This can be used to correct inequitable access to services and stimulate a more efficient allocation of government and donor resources.
- B. Promote the efficiency and quality of service delivery through specific work plans to address key bottlenecks
  - a. Foster a focus on health, learning, and poverty outcomes.
  - b. For example, in the health sector, the IT infrastructure may enhance the performance-based financing mechanisms.
- C. Define and implement more effective and context-specific policies.
  - a. The availability of objective endpoints from the information management systems will help to benchmark and monitor progress to guide the development of actions plans and policies.
- D. Support collaborative stakeholder engagement.
- E. Improve accountability and coordination.
- F. Encourage the government and partners to set realistic human development objectives.

32. The project component will support well-performing financial and information flows between the different layers of the education and health system. This will enable evidence-based reform and micro-planning which can generate efficiency gains. For example, better data and capacity building will allow officials to allocate resources to under-performing schools and analyze the determinants of school performance. The schools, the educational provinces, and sub-provinces will each have information on a number of core indicators that will enable them to compare themselves against other institutions at the same level. The new system will provide feedback to all levels of the education system and enable them to plan based on the data to improve their performance.

33. Specifically, the new systems are expected to generate significant cost savings. The administrative complexity of the current data collection mechanisms undermines their policy objectives. Data collection currently consumes substantial financial and human resources (e.g.

movement of personnel to field on an annual basis). The schemes are difficult to operate due to the breadth of information required. Although the new approach will require initial investments in equipment and capacity development, the data will be continuously collected during routine activities. This will allow the sectors to avoid major transportation of staff, reduce time requirements, and minimize other inefficiencies. Importantly, data collection will take place on a monthly basis (instead of annually) and thus lead to increases in availability of timely data and indirect benefits from more efficient planning based on up-to-date data.

34. The proposed project will also rely on flexible information technology, including tables, smart phones, and the available desktop computers. In terms of software, the Ministry is planning to use a unique database, which allows for long-distance access via telephone, SMS, or internet. This approach can facilitate the decentralization of data collection, which is currently a major source of delay in the production of annual statistics. The system will also enable the use of different types of data collection (i.e. numeric and paper-based) depending on available equipment and connection modalities. This system does not change the content of the current information systems and thus will enable continuity while enhancing system performance.

35. Overall, these data platforms will enable DRC to define mid- to long-term program strategies. By providing a structured process for collecting information to inform annual work planning, the tools should reduce the transaction and administrative costs of organizing program activities and sub-activities. Improved situational analyses can help promote coordination of activities among the countries studied and foster an integrative approach to systems strengthening.

## ***Component 2: Systems for Safe Essential Medicines (approximately US\$3.71 million)***

### *Background*

36. In many LMICs, pharmaceutical markets are characterized by salient barriers to access: high prices, low quality, and irregular supply reduce the use of essential medicines. Even though weaker insurance coverage should make patients in African countries more price-sensitive, drugs are sometimes more expensive than in high-income countries (WHO 2011a, 2011b). The International Criminal Police Organization (Interpol) recently estimated that 30 percent of all medicines in Africa are counterfeit or of inferior quality. Although no data on the prevalence of counterfeit medicines in DRC is available, it is believed that the sale of inferior-quality products is common. For example, it is estimated that there are currently 5,000 illegal drug distributors in Kinshasa alone, with an additional 200-300 pharmacies that are under-regulated. These issues are exacerbated by significant variation in the availability and costs of drugs across regions. Inefficient procurement mechanisms, weak safety regulation, bottlenecks in the distribution chains, excessive markups, and inefficient or old national drug policies often result in very low access to essential medicines in LMICs.

37. In DRC, the National System for Procurement and Distribution of Essential Medicines (SNAME) contains important shortcomings and vulnerabilities (Ministère de la Santé Publique 2010). A USAID report noted that the current system suffered from weak political and operational leadership by the Ministry of Public Health, insufficient government investment, limited human resources capacity and financial support, irregular policy enforcement in the

private sector, lack of stakeholder accountability, fragmented and discordant supply systems at regional level, a weak regulatory framework, and inadequate or nonexistent transportation networks, among other inefficiencies (Adeya *et al* 2009). There is a significant lack of data availability which hinders analyses of procurement and supply logistics, which in turn prevents the implementation of appropriate policies to correct these issues.

#### *Proposed project tasks*

38. The following changes are envisioned to enhance the capacity of pharmaceutical supply chain (approximately US\$3.71 million):

- A. Strengthening the regulatory system
- B. Strengthening the public procurement system
- C. Strengthening public supply chain management

39. These elements were identified based on their fit with the unmet needs of the sector, their expected value for money, their complementarity with the support from other development partners and their contribution to the next World Bank-financed health sector project in DRC. These changes will help improve the efficiency and sustainability of the procurement and distribution system for medicines and allow the government to apply context-specific solutions.

40. The public sector was chosen as the appropriate vehicle for these changes given the substantially higher levels of corruption and under-regulation in the private pharmaceutical sector present in the country. There are currently no affiliates of any major pharmaceutical wholesaler/distributor based in DRC due to obstructive regulation that prohibit their entry; the local companies are less trustworthy, quality of medicines is questionable, and relying on this for-profit private-sector involves unacceptably high fiduciary risks. Therefore, a public sector approach (which also includes non-for profit organizations) offers a lower-risk and likely more sustainable option, at least in the short term. In the mid-term, however, subsequent projects will likely seek to streamline these fundamental building blocks to involve the private sector.

#### *Supporting evidence*

41. Inefficient procurement systems and distribution chains lead to high retail drug prices and low availability (e.g. stock-outs or only branded medicines sold instead of generics). A common issue is that procurement models are often not comprehensive. They do not include pricing or needs assessment, and are often coupled with inefficient distribution mechanisms. For instance, needs assessment is not possible in many developing countries in the absence of IT infrastructure.

42. Therefore, even moderate efficiency gains are expected to have substantial cost and access implications. Fuel Africa, a medical products distribution company, conservatively estimated that improvements to logistics and inventory management system could reduce total pharmaceutical expenditure by US\$162-324 million annually in Sub-Saharan Africa (Hayford *et al* 2011).

43. The international evidence also suggests that the fragmentation of procurement agencies, which is the case in DRC, results in bottlenecks in the distribution of medicines which reduces the affordability and availability of medicines. A lack of coordination capabilities generates significant waste of resources and reduces access. For example, procurement in China and India is carried out by various entities, including public sector hospitals, private sector retail pharmacies and some governmental bodies. This has led to a lack of coordination in the procurement processes due to simultaneous procurement of similar drugs (Kanavos 2014). Table 2 highlights the variability in markups across settings, which are often prohibitively high and reduce access to essential medicines.

**Table 13: Summary of Distribution Margins and Taxes in Basket of LMICs**

Country	Value (percent of ex-manufacturer)	Stage/Purpose	Comments
Thailand	33-2000 percent	Cumulative markups	Figure is estimate and subject to substantial variation
	28-41 percent	Public sector facility markup for originator brands (originator brand [OB])	
	20-285 percent	Public sector facility markup for generics	
	37-900 percent	Private sector cumulative markup	Extreme variability noted
	7-31 percent	Wholesale markup (generics)	
	0-2 percent	Wholesale markup (OB)	
	20-150 percent	Pharmacy markup (generics)	
	13-40 percent	Pharmacy markup (OB)	
Philippines	87-273 percent	Cumulative Markup	Sector unspecified (public or private)
	3-5 percent	National corporate taxes	
	12 percent	Value-added tax (VAT)	
China	4 percent	Duty tax on all imported medicines	
	17 percent	VAT	Only for pharmacy medicines; excluding public health facilities or hospitals
Pakistan	25 percent	Cumulative markups	Ex-factory prices for locally produced generics
Morocco	10 percent	Wholesale	Regulated
	30 percent	Retail	Regulated
	7 percent	VAT	Regulated
	32 percent	Custom charges for EU imported medicines	
	40 percent	Custom charges for non-EU medicines	
Kyrgyzstan	44-63 percent	Cumulative markups	Sector unspecified
	25-35 percent	Wholesale markup – Generics	
	15-25 percent	Wholesale Markup– OB	
	15-25 percent	Retail markup -Generics	
	5-15 percent	Retail markup - OB	
Yemen	57.44 percent	Cumulative markups	Sector unspecified

Ghana	177.8-246.3 percent	Cumulative markups	Public sector
	27.35-387.6 percent	Cumulative markups	Private sector
	66.7-185.7 percent	Cumulative markups	Mission sector
Nigeria	123 percent	Cumulative markup, of which 44 percent is landing cost, 8 percent is clearance fee, 12 percent is inspection fee, 13 percent importer margin and 23 percent is wholesaler margin; the remainder is retailer margin (23 percent)	For imported medicines from the point of landing till dispensing
Uganda	48.5 percent	Import price	
	34.9 percent	Retail markup	
	1.3 percent	Wholesale markup	
	11.9 percent	Import fee	
	1.5 percent	Clearing fee	
	1.5 percent	Customs	
	0.4 percent	National Drug Authority tax	

**Source:** Kanavos (2014, forthcoming). Author summarized the findings from the literature (primarily WHO/HAI evaluations of medicines prices).

44. DRC has legal or regulatory provisions that establish maximum wholesale and retail markup levels to limit drug prices (WHO 2011a). However, in countries where margins appear to be regulated, the actual margins do not necessarily mirror those allowed by regulation. In Ghana, the observed markups at the wholesale and retail levels are much higher than legally permitted. Similar findings have also been reported in many other LMICs and are attributed to poor monitoring and/or enforcement of the regulation (Kanavos 2014).

45. Exceptionally high markups can result in medicines prices in that are often much more expensive than the Management Science for Health (MSH) international reference prices (IRPs). For example, in Yemen, the private sector patient prices have been as high as 129 times the IRP. These findings are subject to substantial variation across regions and private/public outlets (Tables 3 and 4). The implementation of appropriate regulation can therefore contribute significantly to price reductions and more equitable access.

**Table 14: Private Sector Patient Prices**

Country	Prices	Comments
India	Median price < 2 * international reference price (IRP)	Excluded OBs
	MPRs: 1.74-4.38 * IRP	OB
	1.3-1.69 * IRP	Most-sold generics (MSGs)
	1.3-1.84 * IRP	Lowest priced generics (LPGs)
Malaysia	OB 114 percent > Generics	
	Private sector OB 47 percent > Public sector OB	
	Private sector generics 60 percent > public sector generics	
China (Shanghai)	Median MPR: 8.76 * IRP	For 17 OBs surveyed
	Median MPR: 1.77 * IRP	For 20 LPGs surveyed
Jordan	17 * IRP	OB
	11- 51 * IRP	For 50 percent of the surveyed

		medicines
	10.5 * IRP	LPGs
Pakistan	3.36 * IRP	OB
	2.26 * IRP	LPG
Yemen	2- 129 * IRP	OB
	0.26-18 * IRP	LPGs
Ghana	18 * IRP	OB
	2.04-7 * IRP	For 50 percent of the LPGs surveyed.

**Source:** Kanavos (2014, forthcoming). Author summarized the findings from the literature (primarily WHO/HAI evaluations of medicines prices).

**Table 15: Public Sector Patient Prices**

Country	Prices (ratios)	Comments
Malaysia	OB 33 percent more than Generics	
China (Shanghai)	MPR: 5.64 * IRP (OB)	21 OB drugs surveyed
	MPR: 2.03 * IRP (Generics)	29 Generics surveyed
Jordan	5.95*IRP	OB
	0.85*IRP	LPGs
Yemen	0.64-2.33 MPR	75 percent of MPRs< IRP
Ghana	2.43 * IRP (LPG)	50 Medicines surveyed
Nigeria	2-64* IRP	Not specified whether OB or LPG

**Source:** Kanavos (2014, forthcoming). Author summarized the findings from the literature (primarily WHO/HAI evaluations of medicines prices).

### *Human development impact*

46. Strengthening the regulatory system, public procurement mechanisms, and public supply chain management will likely improve human development. The project will contribute to building a sound procurement and distribution system which, over time, will help guarantee a steady and timely supply of essential medicines, reduce retail prices, safeguard quality standards, and ensure supplier accountability for the quality and reliability of their services. It is essential to monitor the performance of the supply chain and the quality of the available drugs to implement effective regulation and spur efficiency gains. This project will lay some fundamental building blocks that will enable other development partners and future World Bank financed projects to build on these efforts and implement incremental changes to the essential medicines sector to enhance sustainability.

47. This project will allow the government to identify supply chain bottlenecks, examine determinants of the variation in availability/prices in public and private sector outlets across regions, and determine the quality of products. This information is important for an autonomous, national regulatory agency to improve the availability of high-quality and affordable medicines, support equitable distribution patterns, and to focus technical assistance on regions with lower drug availability and affordability.

### ***Component 3: Analytical Products (approximately US\$2.85 million)***

#### *Background*

48. There is currently a weak analytical base on which to plan government strategies and programs. Improved analytical methods will enable the government of DRC to better meet the needs of the most vulnerable members of society, safeguard good coordination and management of the project, and share its lessons with the global community. Defining the target groups for the intervention will allow the government to develop a national protection strategy, allocate resources more efficiently, and encourage strategic planning.

#### *Proposed project tasks*

49. The component will focus on the following key deliverable:

- Analytical products for systems strengthening (US\$2.85 million)

50. Central to these endeavors is a comprehensive set of studies that will be carried out in the early stages of the project; additional studies are envisioned for subsequent years of the project based on these early findings. The initial studies identified by the Ministry of Social Affairs and the Ministry of Labor, Employment and Social Insurance include:

- Vulnerability Assessment
- Review of DRC's experience with key financial risk pooling mechanisms to provide access to health services
- Feasibility study to transform Social Promotion Centers and increase their contribution to social protection
- Labor market study focusing on skilled manual labor

51. Together, these tasks will help introduce an annual work program of analytical studies. The expected outputs include: the availability of appropriate evidence and options for planning and investments, effective coordination within and between the ministries for the project, more efficient management, strong communications on the project, and timely project delivery.

#### *Human development impact*

52. The development of analytical products for systems strengthening and improvement of project monitoring should lead to evidence-based and efficient investments. It will improve the stakeholder commitment to the development projects and, in turn, allow the ministries to attract more financing due to demonstrated capacity for effective management.

53. The proposed studies will generate a holistic understanding of which members of society are especially vulnerable. By identifying disenfranchised individuals, the government will be able to prepare a comprehensive national social protection strategy and approaches for targeting marginalized populations. This will allow the government to improve the targeting of social protection interventions within the national social protection strategy. It will also provide a

comprehensive overview of the country's attitude towards and experiences with key financial risk pooling mechanisms (i.e. models to mobilize health care resources, including community health insurance, private health insurance, and social health insurance); this study would inform the demand side aspects of the national social protection strategy.

54. For nationally-owned programs, it is important that ministries of health have a comprehensive overview of the activities that are implemented. As data analytical methods are enhanced, it will ensure effective coordination between stakeholders and rational allocation of resources, among other cost advantages. It will also allow policymakers from the three sectors to share best practices and discuss potential pitfalls. This cross-fertilization of knowledge and ideas will improve the application of evidence into practice.

## **II. Is Public Sector Provision or Financing the Appropriate Vehicle?**

55. The project specifically focuses on strengthening public sector systems in education and health, and some analytical work in social protection. While some of the services provided in these sectors are delivered by private entities (e.g. certain schools and health facilities), the project focuses on systems that will reinforce the stewardship functions of the government, with the aim of eventually ensuring equal opportunities for human development to all citizens of the country. One of the outcomes of decades of conflict and instability in DRC is the virtual privatization of education, health, and social protection services. The poor status of human development in the country is a result of pervasive of market failures.

56. The information systems, once strengthened with support from the project, will enable the government to play a critical role in resource distribution to correct market failures. Current market failures include inadequate and inequitable access to services, the poor quality of services, and the wide availability of dangerous counterfeit and low-quality medicines.

57. The financing of these services through the public sector is also expected to generate positive externalities. Healthy, nourished, and well-educated populations (especially girls and women, who are currently under-served by these systems) generate benefits not only to the households that consume the services but will also provide the necessary human capital to sustain the economic growth in DRC. Well-educated women and men are more likely to ensure that households make sound decisions on the utilization of even the limited resources which they have. These gains in efficiency, in turn, lead to lower levels of disease and malnutrition, resulting in higher individual productivity and higher overall economic growth. DRC is also prone to epidemics which have high externality costs and can be better managed through improvements in the health information management system. A strong and well-targeted social protection strategy could reduce social instability and thus control the costs of conflict and violence.

## **III. What is the World Bank's Value Added?**

58. International organizations are essential in conceiving development norms and establishing regulatory frameworks for policy implementation. The comparative advantages of the World Bank in advancing the human development agenda include: its impartiality, capacity

to engage diverse groups in open dialogue, normative functions, and extensive networks of expertise.

59. While this project will provide focused technical assistance to address key bottlenecks that are limiting human development outcomes in the country, it will be implemented in close coordination with larger World Bank investments, particularly in the education and health sectors. Currently, the World Bank finances a US\$338 million health sector project and is planning a follow-on US\$150 million health sector operation in DRC. The Bank has similar-scale investments in the education sector, while investments in social protection focus on addressing the needs of street children. This relatively large financing, as well as the World Bank's track record as a strong technical partner, positions it well to support the sector reforms which this technical assistance will support.

60. Some of the issues that need to be addressed extend beyond the specific sectors (e.g. Public Service reform) and the World Bank is staffed with technical experts with the relevant knowledge. While much of the complexity of coordinating a project across three sectors and four implementing ministries is expected to be managed by the CFEF Unit at the Ministry of Finance, there will likely be situations where inter-sector dialogue may need to be facilitated by the World Bank. The overall scale of resources available from the World Bank enables a dialogue which focuses not only on what can be achieved with available resources, but also allows the government to consider the full scope of needs in the sectors and then prioritize based on available resources. This ability to facilitate planning at scale is critical for systems strengthening.

61. The project's focus on system strengthening is a paradigm shift for post-conflict DRC. Until recently, most of the investments have focused on inputs and on front-line service delivery, often in emergency situations. Several of the other donors are still reluctant or unable to invest directly in government systems. Instead they often choose to provide support to the human development sectors through independent firms or NGOs. While the quality of that technical assistance is usually good, it frequently generates very weak government ownership. The World Bank is well placed to provide the necessary technical assistance and to support government ownership of the project.

62. This combination will be important in all three sectors over the life of the project, but will be especially critical in social protection, a sector which has been struggling for years to merge a range of views and studies into a coherent social protection strategy that has sufficient credibility to gain the trust and support of stakeholders within the government (e.g. Ministry of Finance) as well as of key financial and technical partner. While there are a number of strong technical partners in social protection in the country, they do not currently have the convening power and technical ability required to focus the dialogue on the future stability and equitable growth of the country.

63. Many countries in Africa and in other regions are undertaking systems strengthening initiatives in the human development sectors from which DRC could learn. For example, several countries are undergoing reforms of their regulatory systems for essential medicines. The World Bank, particularly with its emerging new organizational structure of "global practices" is well

positioned to bring to DRC the best expertise from a range of countries which have faced similar challenges. In this way, the World Bank will assist the Ministry to develop the individual, organizational, and institutional capacities to successfully implement the project components. For example, to ensure that the GIS and other IT platforms are applied efficiently and sustainably, the World Bank will help address the wider information and management barriers (e.g. capacity training, high turnover rates in government personnel, and resource constraints).

64. Notably, the design of the information management system sub-component for education has already benefited from the experience of Côte d'Ivoire, the health information management system sub-component from experiences in Liberia, and the essential medicines component from experiences with regulatory system harmonization in several African countries. The World Bank's cross-cutting practice on fragile and conflict-affected states also provides a platform not only for DRC to learn from other similar countries but also to share the experience it will gain through this project. The project has set aside a budget for this type of learning and sharing.

65. The World Bank does have limitations and one of them is the relatively small presence of in-country staff and administrative budget to provide direct implementation support to the project. In addition from assistance from World Bank technical staff, the project is therefore designed to benefit from the technical guidance of UN agencies that have a larger presence in the field. For example, it is anticipated that UNESCO would provide technical assistance for the implementation of the sub-component on the education information management system.

## References

1. Abbas II, Acuta SZ, Na-iyia RM (2012). "Health Care Facilities Mapping and Database Creation Using GIS in Chikun Local Government, Kaduna State, Nigeria." *Global Journal of Human Social Science*, **12**(10): 11-18.
2. Adeya G, Bukasa G, Tomsej X (2009). "Assessing the Procurement, Distribution, and System-Strengthening Needs for the Pharmaceutical System in the Democratic Republic of the Congo, October 2008." Report for the U.S. Agency for International Development. Arlington, VA: Management Sciences for Health.
3. Ali GKM. Accessibility of medicines and primary health care: The impact of the revolving drug fund in Khartoum State. *Afr J Pharma Pharmaco* 2009a;3(3):70-7.
4. Ali GKM. How to establish a successful revolving drug fund: the experience of Khartoum state in the Sudan. *Bulletin of the World Health Organization* 2009b;87:139-142
5. Ansumana R, Malanoski AP, Bockarie AS, *et al* (2010). "Enabling methods for community health mapping in developing countries." *International Journal of Health Geographics*, **9**(1): 56.
6. Baschieri A, Falkingham J (2009). "Staying in School: assessing the Role of Access, Availability, and Economic Opportunities - the Case of Tajikistan." *Population, Space and Place*, **15**: 205-24.
7. Barro R (2000). "Education and economic growth." Paris: OECD.
8. Devaraj S, Kohli R (2000). "Information Technology Payoff in the Health-Care Industry: A Longitudinal Study." *Journal of Management Information Systems*, **16**(4): 41-67.
9. Felkin DR, Nguyen LM, Adazu K, *et al* (2009). "The impact of distance of residence from a peripheral health facility on pediatric health utilisation in rural western Kenya." *Tropical Medicine & International Health*, **14**(1): 54-61.

10. Fisher RP, Myers BA (2011). "Free and simple GIS as appropriate for health mapping in a low resource setting: a case study in eastern Indonesia." *International Journal of Health Geographics*, **10**:15.
11. Hayford K, Privor-Dumm L, Levine O (2011). Improving Access to Essential Medicines Through Public-Private Partnership. International Vaccine Access Center (IVAC): Johns Hopkins Bloomberg School of Public Health. 18 p.
12. Health Systems 20/20 Project (2011). "National Health Accounts 2008-2009 Executive Summary." Bethesda, MD: Health Systems 20/20 project, Abt Associates Inc.
13. Hite SJ (2008). "School Mapping and GIS in Education Micro-planning." International Institute for Educational Planning, Working Document. 18 p. Available: [http://www.iiep.unesco.org/fileadmin/user\\_upload/Research\\_Challenges\\_and\\_Trends/pdf/symposium/StevenHite.pdf](http://www.iiep.unesco.org/fileadmin/user_upload/Research_Challenges_and_Trends/pdf/symposium/StevenHite.pdf).
14. Huerta Munoz U, Källestål C (2012). "Geographical accessibility and spatial coverage modeling of the primary health care network in the Western Province of Rwanda." *International Journal of Health Geographics*, **11**: 40.
15. Kanavos P, Schurer W, Vogler S (2011). "The Pharmaceutical Distribution Chain in the European Union: Structure and Impact on Pharmaceutical Prices." Report prepared for the European Commission (European Medicines Information Network, EMINET). 120 p.
16. Kanavos P (2014). "Financing Medicines for Primary Health Care." World Health Organization: Geneva. 189 p (forthcoming).
17. Kremer M (2002). "Pharmaceuticals and the Developing World." *Journal of Economic Perspectives*, **16**(4): 67-90.
18. McGord GC, Liu A, Singh P (2013). "Deployment of community health workers across rural sub-Saharan Africa: financial considerations and operational assumptions." *Bulletin of the World Health Organization*, **91**(4): 244-53.
19. McLaffety S, Grady S (2004). "Prenatal care need and access: a GIS analysis." *Journal of Medical Systems*, **28**(3): 321-33.
20. Ministère de L'Enseignement Primaire, Secondaire et Professionnel (2010). "Stratégie de Développement (2010/11 - 2015/16)." République Démocratique du Congo: Kinshasa. 55 p.
21. Ministère de la Santé Publique (2010). "Stratégie de Renforcement du Système de Santé. Deuxième édition." République Démocratique du Congo: Kinshasa. 66 p.
22. Ministère de la Santé Publique (2013). "Comptes Nationaux de la Santé 2010 et 2011 RD Congo." Rapport d'analyse des résultats. République Démocratique du Congo: Kinshasa. 64 p.
23. Mori AT, Kaale EA, Risha P (2013). Reforms: a quest for efficiency or an opportunity for vested interests? A case study of pharmaceutical policy reforms in Tanzania. *BMC Public Health*, **13**:651.
24. Mulaku GC, Nyadimo E (2011). "GIS in Education Planning: The Kenyan School Mapping Project." *Survey Reviews*, **43**(323): 567-78.
25. OECD (2002). "Competition and Regulation Issues in the Pharmaceutical Industry." *OECD Journal: Competition Law and Policy*, **4**(3): 101-222.
26. OFT (2007). "Medicines distribution: An OFT market study." Office of Fair Trading: London. 100 p.
27. PATH (2010). "Common Requirements for Logistics Management Information Systems." Seattle: Path. 66 p.

28. Pearce J, Witten K, Bartie P (2006). "Neighbourhoods and health: a GIS approach to measuring community resource accessibility." *Journal of Epidemiology and Community Health*, **60**(5): 389-95.
29. Rosero-Bixby L (2013). "Spatial access to health care in Costa Rica and its equity: a GIS-based study." *Social Science & Medicine*, **58**(7): 1271-84.
30. Sachs J (2001). *Macroeconomics and Health: Investing in Health for Economic Development*. Report for the World Health Organization (WHO). 210 p.
31. Schwanke Khilji SU, Rudge JW, Drake T, *et al* (2013). "Distribution of selected healthcare resources for influenza pandemic response in Cambodia." *International Journal of Equity in Health*, **12**: 82.
32. Sen A (1989). "Development as Capabilities Expansion." *Journal of Development Planning*, **19**: 41-58.
33. Sianesi B, Van Reenen J (2002). "The returns to education: a review of the empirical macro-economic literature." London: Institute for Fiscal Studies.
34. Sugimoto JD, Labrique AB, Ahmed S, *et al* (2007). "Development and management of a geographic information system for health research in a developing-country setting: A case study from Bangladesh." *Journal of Health Population and Nutrition*, **25**(4): 436-47.
35. Stevens P, Weale M (2003). *Education and economic growth*. London: National Institute of Economic and Social Research.
36. Tanser F, Gijsbertsen B, Herbst K (2006). "Modelling and understanding primary health care accessibility and utilization in rural South Africa: An exploration using a geographical information system." *Social Science & Medicine*, **63**(3): 691-705.
37. UNDP (2013). "Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World." UNDP: New York. 216 p.
38. UNESCO (2012a). "Strengthening of Education Systems." Discussion paper jointly prepared by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Institute for Educational Planning (IIEP) for GIZ. 104 p.
39. UNESCO (2012b). "Inequalities in Education." Education For All Global Monitoring Report. 18 p.
40. Vanmeulebrouk B, Rivett U, Ricketts A, *et al* (2008). "Open source GIS for HIV/AIDS management." *International Journal of Health Geographics*, **7**: 53.
41. Witter S. Achieving sustainability, quality and access: lessons from the world's largest revolving drug fund in Khartoum. *East Mediterr Health J* 2007;13(6):1476-85.
42. WHO (2011a). "The Regulation of Markups in the Pharmaceutical Supply Chain." Review series on pharmaceutical pricing policies and interventions, Working paper 3 prepared by the World Health Organization (WHO) and Health Action International (HAI). 110 p.
43. WHO (2011b). "Competition in Pharmaceuticals." Review series on pharmaceutical pricing policies and interventions, Working paper 4 prepared by the World Health Organization (WHO) and Health Action International (HAI). 66 p.
44. WHO (2013). "Medicines Supply." Available: <http://www.who.int/medicines/areas/access/supply/en/>
45. World Bank (2011). "World Bank Group Education Strategy 2020." Learning for All: Investing in People's Knowledge and Skills to Promote Development. Available: [http://siteresources.worldbank.org/EDUCATION/Resources/ESSU/Education\\_Strategy\\_4\\_12\\_2011.pdf](http://siteresources.worldbank.org/EDUCATION/Resources/ESSU/Education_Strategy_4_12_2011.pdf). 112 p.

46. World Bank (2013). "Rapport de suivi de la situation économique et financière pour la République Démocratique du Congo." World Bank: Kinshasa. 48 p.
47. Yao J, Murray AT, Agadjanian V (2013). "A geographical perspective on access to sexual and reproductive health care for women in rural Africa." *Social Science & Medicine*, **96**: 60-68.

