ICR Review

Operations Evaluation Department

Report Number : ICRR11809

1. Project Data:		Date Posted : 07/21/2004		
PROJ ID : P001999			Appraisal	Actual
Project Name :	Health Sector Development Program	Project Costs (US$M)	40.00	37.16
Country :	Niger	Loan/Credit (US$M)	40.00	37.16
Sector(s):	Board: HE - Health (94%), Central government administration (6%)	Cofinancing (US$M)	0	0
L/C Number :	C2915; CP996			
		Board Approval (FY)		97
Partners involved :	0	Closing Date	06/30/2002	12/31/2003

Prepared by :	Reviewed by :	Group Manager :	Group :	
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2. Project Objectives and Components

a. Objectives

The overall objective was to improve the health and well-being of the population of Niger through support of selected parts of the National Health Sector Development Plan. The Plan objectives supported by the project, to be implemented on a national and/or regional basis, were: (i) establishing and supporting a district health system, (ii) improving the availability and affordability of essential generic drugs, and (iii) improving sector effectiveness and efficiency through decentralizing sector management, and more fully utilizing the capacity of various partners active in the health sector. However, there is inconsistency between the stated project objective in the Appraisal Report and the Development Credit Agreement. The objective given in the legal document was used to evaluate the project.

b. Components

Designed as a Sector Investment Program, the project consisted of three components (shown with the original project costs): (i) Improving the Quality and Coverage of Basic Health Services (US$31.5 million) In line with the objectives of the Plan, the project would finance the upgrading of existing basic and first-referral services by the transformation of rural dispensaries and health posts into integrated health centers, and of departmental medical centers into district hospitals through rehabilitation, reconstruction and equipment in selected districts; (ii) Improving the Supply and Distribution of Essential Generic Drugs (US$3.7 million). As defined in the National Pharmaceuticals Master Plan, the project would contribute to the development of an essential drugs policy to ensure nationwide availability, at an affordable price, responsive to quality norms, used rationally, and implement the recently-adopted cost recovery law for basic services. (iii) Building Capacity and Forging Partnerships in Support of Health Sector Reform (US$4.8 million). To implement the reforms included in the Plan, the project would strengthen capacity at the District, Departmental and Central levels, to support the decentralization of key management functions; and expand sector capacity through utilization of the potential capacity of other, non-public national partners (including communities, NGOs, academia and the private-for-profit sector).

c. Comments on Project Cost, Financing and Dates

The project components were not revised, but the Credit Agreement stated that additional districts could be added during implementation, and expansion occurred in three phases, increasing the targeted population by 260%. It closed after one extension of eighteen months. The exchange rate between the SDR and the US$ reduced the original US$40 million credit to US$37.3 million. At project closure, only 57% of the agreed counterpart funds had been disbursed. No cancellations were made.

3. Achievement of Relevant Objectives:

Most of the project objectives were not met, and performance in a number of areas deteriorated. [It should be noted that the project was being implemented in a period of political instability with two coups (1996 and 1999).]

- The utilization rate of public health care facilities in most of the 14 project districts decreased, on average by 38%, at a time when country-wide usage increased.
- In project-financed districts, increased potential geographic coverage was not transformed into increased accessibility as most of the project-financed health centers and district hospitals were either closed for lack of drugs, not functioning due to lack of appropriate staff, or only partially functioning.
- Access to the most essential generic drugs in the 14 project-supported districts improved slightly, but is still

limited.

- Service quality showed only modest improvement with 31.5% of beneficiaries having a positive view of quality of services offered, compared to 25% in 1997.
- The negative impact of cost recovery on utilization of services appears to have been more severe in the project-supported districts than in non-project districts. (This may reflect more forceful implementation of cost recovery in project districts.)
- There was no increase in effective collaboration between the public health sector and private health care services.
- Efforts to improve management performance of sector organizations had only limited success . Although the project supported the establishment of health teams in the 14 districts, and the development of multi-year district development and annual action plans aimed at consolidating donor support and setting district priorities, these district health teams appear fragile, the plans focus on inputs, and do not set priorities, and at the central level, the project had little impact on management capacity.

4. Significant Outcomes/Impacts:

- District health teams and community management committees were set up in the project area, and may provide a good basis for future work.
- The impact of the project-financed new health centers may not yet be fully apparent in the utilization rate data, as most of the newly constructed health centers were only finalized a month or two before the ICR review was undertaken.
- The project helped to increase potential geographic coverage for up to 300,000 people, but after taking into account the functional status of facilities the real coverage may be only 27,000. However, this number is expected to increase.
- In the project districts the drug supply did improve slightly . The average number of days which the 20 most essential drugs were out of stock fell from 83 to 54 days (1997-2003).

5. Significant Shortcomings (including non-compliance with safeguard policies):

- 4,200 Service Delivery Staff received training, but only 22% of the staff rated the training as being based on their needs; in project-supported districts, 48% of the staff left their posts after training, compared to 36% in districts outside the project area.
- Health indicators fell in many of the 14 districts: Utilization of family planning services decreased in 13 districts; in 11 districts the number of completely vaccinated children declined; the utilization rate of prenatal care fell in 7 districts; maternal mortality rose in 5 out of 8 project-supported districts with data; the utilization rate for nutrition consultations decreased in project districts by about 20%.
- The investment in construction was poorly managed: the existing health centers were over-expanded (with an average expansion of 284% compared to the original size of the then existing health centers) without increasing coverage or contributing to improved service quality; average unit construction costs were significantly higher than those of other donor-financed facilities; investment in some facilities took no account of existing private sector facilities in the neighborhood leading to excess capacity .
- Investment in the 107 facilities rehabilitated/expanded/constructed has resulted in a significant increase in recurrent costs.
- The lessons learned from the previous IDA-financed health project stressed that institutional capacity was a key constraint and that objectives should therefore be kept modest, but these were not taken into account in the design of this project.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Unsatisfactory	The project increased recurrent costs through major infrastructure investment in a resource-constrained country, and worsened conditions it was aiming to improve. However, over time the investments have the potential to provide benefits to the population.
Institutional Dev .:	Modest	Modest	
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Unsatisfactory	Unsatisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- In designing a project to support a part of a multi-year government plan, clear delineation of the specific objectives supported by the Bank's financing is needed for project evaluation .

- An increase in potential geographic coverage may not translate into increased real geographic coverage accessibility as facilities may not be functioning, and accessibility may be constrained by socio -cultural and financial barriers.
- Selected indicators to be monitored should measure outcomes and not inputs .
- Adequate mechanisms need to be put in place to ensure financial accessibility of the poor . (If policies are inappropriate, then greater efficiency of execution can be damaging .)
- New project designs should fully incorporate lessons learned from previous projects in the sector .
- Qualified and committed staff are critical to improved health care services .

8. Assessment Recommended? ○ Yes ● No

9. Comments on Quality of ICR:

- Very clear and frank ICR, with considerable effort to disentangle the objectives in the Appraisal Document, the Credit Agreement, and the Completion Report in order that the resulting evaluation could be appropriately focused.
- Innovative use of graphics helped to illustrate findings .