

IEG ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted : 04/14/2010	
PROJ ID : P100568		Appraisal	Actual
Project Name : NCO - Avian And Human Influenza Prevention And Control Project	Project Costs (US\$M):	10.0	0.34
Country: West Bank & Gaza	Loan/Credit (US\$M):	10.0	0.34
Sector Board : ARD	Cofinancing (US\$M):		
Sector(s): General public administration sector (60%) Health (31%) General agriculture fishing and forestry sector (5%) Solid waste management (3%) Other social services (1%)			
Theme(s): Natural disaster management (25% - P) Other communicable diseases (25% - P) Rural services and infrastructure (24% - P) Social risk mitigation (13% - S) Pollution management and environmental health (13% - S)			
L/C Number:			
	Board Approval Date :		09/07/2006
Partners involved :	Closing Date :	01/31/2009	03/31/2009
Evaluator:	Panel Reviewer :	Group Manager :	Group:
John C. English	Kris Hallberg	IEGSE ICR Reviews	IEGSE

2. Project Objectives and Components:

a. Objectives:

Note: This report is a Note on a Cancelled Operation (NCO), not a full Implementation Completion Report.

Background. The West Bank and Gaza (WBG) is considered a high risk for Avian Influenza (AI) because of the large volume of bird migrations through the area. In early 2006 (at a time of worldwide concern about spread of AI) an outbreak was reported in Gaza, expanding to eight locations and 400,000 birds were culled to contain it. Because of the intermingling of poultry and the population in WBG there was concern over possible health consequences, and there was pressure from neighboring countries to increase public awareness of the risks to

human health and strengthen the local capacity to deal with disease outbreaks .

The *objectives* of the grant were to assist the Palestinian Authority (PA) in: (a) minimizing the threat posed to humans by the Highly Pathogenic Avian Influenza (HPAI) infection and other zoonoses in domestic poultry; and (b) preparing for controlling, and responding to, an avian influenza pandemic and other infectious disease emergencies among humans.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

There were three components:

1. *Animal Health and Veterinary Services (Estimated cost US\$5.86 million: 62.7 percent of total project cost)* This had three elements. Strengthening of the surveillance and diagnostic capacity of the veterinary services in WBG; culling and disposal of condemned birds; and compensation for income loss, including technical support for the compensation committee and a proportion of the compensation funding . The latter was the largest element, amounting to US\$4.8 million.

2. *Human Health (Estimated cost US\$2.97 million: 31.8 percent of total project cost)*. This comprised: prevention and human safety, including the protection of medical and field staff and other highly exposed groups; strengthening public health surveillance systems; and health system response including vaccinations, drug therapy and medical services. The latter was to amount to US\$2.35 million or almost 80% of the total component cost.

3. *Public Awareness and Environmental Management. (Estimated cost US\$ 519,000: 5.5 percent of total project cost)*. This was to include a public awareness and information campaign targeting the general public, especially in rural areas and areas with concentrations of backyard poultry production .

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

The grant was cancelled after a two month extension of the Closing Date (see Section 4).

At Closing a total of US\$340,000 had been spent on staff salaries and seasonal influenza vaccines . The balance of US\$9.66 million was cancelled.

The project was complemented by a grant of US\$ 3 million from the Avian and Human Influenza Facility implemented by UNDP and the World Health organization and Food and Agricultural Organization provided technical assistance and guidance .

3. Relevance of Objectives & Design:

Objectives . Given: (a) the concerns in 2006 about the potential impacts of a spread of HPAI in poultry and of potential human AI pandemics; (b) the difficult social, economic and operational conditions in WBG; and (c) the confirmation of the presence of HPAI in the territories, the project objectives were substantially relevant .

Design. However, the project's design was of modest relevance . The operation was too complex, given the potential emergency nature of the required interventions . Also, placing the leadership with the Ministry of Health (MOH), when substantial efforts were also required from the Ministry of Agriculture (MOA), including first responses to an HPAI outbreak, created unnecessary roadblocks . Leadership might have been better placed in the Prime Minister's Office, to facilitate inter-ministerial coordination. Since the project, in addition to its support of possible emergency actions, was to support longer-term institutional measures, the proposed implementation period of two years was unreasonably short, especially in light of the implementation difficulties inherent in the unique situation in WBG.

4. Achievement of Objectives (Efficacy):

The objectives were not achieved .

Project effectiveness was delayed by one month . Coordination between the agencies involved was not helped by the fact the MOH headquarters were in Gaza, while MOA is headquartered in the West Bank . Furthermore, in early 2006 Palestinian elections had been won by Hamas and the Government of Israel and many donors had responded by adopting a policy of noncooperation . By early 2008 a Project Implementation Unit (PIU) had not been established and implementation had barely progressed so the Mid -Term Review was postponed to October 2008. Delays were primarily due to: (a) relocation of the MOH from Gaza to WB after Hamas took control of Gaza in June 2007; (b) Ministerial changes after the formation of an interim government; (c) the complexity of the institutional structure of the project requiring coordination among a number of agencies; and (d) diminishing interest in, and ownership of, the project on the part of the PA . One consequence of these problems was a long delay in establishing the PIU and nominating the Coordinating Committees (CCs).

At the time of the MTR global concern over potential AI pandemic had abated and it was clear that the large sums set aside in the project for compensation of owners of slaughtered poultry would not be necessary . Given this, and in the face of the lack of progress, the Bank proposed a series of measures to restructure the project towards strengthening the capacity for controlling animal diseases (including a permanent compensation facility) and for responding to related human disease issues . The closing date would also have been extended by two years .

The two ministries were supportive of these proposals but, over the following two months, and (in the context of the Israeli invasion of Gaza in December 2008) administrative delays and financial problems resulted in difficulties in paying the staff of the PIU from the Special Account . After two months of working without pay the staff, including the project coordinator, resigned .

The Bank extended the Closing Date by two months in order to allow for agreement with the PA on restructuring and for the PIU to be re-established. In the absence of communication from the PA (who at the time were giving priority to the immediate recovery and reconstruction needs of Gaza) the Bank closed the project on March 31, 2009.

5. Efficiency (not applicable to DPLs):

Not Applicable

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal		%	%
ICR estimate		%	%

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

See Section 4.

a. Outcome Rating : Not Rated

7. Rationale for Risk to Development Outcome Rating:

Not Applicable

a. Risk to Development Outcome Rating : Non-evaluable

8. Assessment of Bank Performance:

The UNDP and the Bank responded expeditiously to an urgent situation and tried, where possible, to design the project and procedures to be flexible in order to facilitate implementation in what were known to be difficult conditions. Based on Regional comments, it is noted that the unpredictability of the disease and its recurrence in neighboring countries led the two agencies to intervene. However, especially given that the project included some longer term investment activities, the implementation period of two years was not realistic . The complexity of the institutional structures, especially the arrangement for joint management of the project by the Ministries of Health and Agriculture and the number of agencies involved (under conditions where coordination was difficult), together with the inexperience of the PA in handling AI containment and in building capacity in this area, predisposed the operation to implementation problems and delays (See also Section 3)

During supervision the Bank team expended considerable resources in very difficult circumstances, trying to achieve progress. Based on Regional comments, it is noted that the higher than usual supervision cost resulted from simultaneously supervising the two operations (this project and the UNDP Grant) drawing on the same budget resource and the need to include health experts who were in high demand globally and hence expensive. Given the weak Borrower ownership, the Bank should have cancelled the project in a timely manner. The Region argues that it was inappropriate to close the project until the UNDP grant was sufficiently advanced in order to mitigate the Bank's reputational risk in case of an outbreak.

a. Ensuring Quality -at-Entry: Moderately Unsatisfactory

b. Quality of Supervision : Moderately Unsatisfactory

c. Overall Bank Performance : Moderately Unsatisfactory

9. Assessment of Borrower Performance:

There was a lack of ownership throughout on the part of the PA, perhaps because of the project's genesis in the concerns of neighboring countries, rather than in the PA's own priorities . After the enforced move of the Ministry of Health from Gaza, the PA was unable to reach an acceptable consensus on where the PIU should be located. Then, towards the end of the implementation period, it allowed the staff to go unpaid for two months, leading to their resignation .

a. Government Performance : Unsatisfactory

b. Implementing Agency Performance : Unsatisfactory

c. Overall Borrower Performance : Unsatisfactory

10. M&E Design, Implementation, & Utilization:

Not Applicable

a. M&E Quality Rating : Non-evaluable

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

There were no safeguard or fiduciary issues . But the report raises two other issues .

Bank Costs . The Bank used a total of 114 staff weeks on this project (48 weeks for appraisal and approval, and 66 during the two year implementation period), costing nearly US\$400,000. During implementation the expenditure from the grant was US\$340,000, i.e. less than the cost to the Bank . The Region has pointed out that the staff input was also used to manage the parallel UNDP Grant but this was not reported in the NCO . It would have been helpful to have reported this use of Bank resources, both in the body of the Note and in the Annex table, and also whether any of this work was reimbursable, i.e. whether the resources reported in the table represented the gross or net amount expended on this and any companion operations .

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12. Ratings:	ICR	IEG Review	Reason for Disagreement / Comments
Outcome:	Not Rated	Not Rated	
Risk to Development Outcome:	Non-evaluable	Non-evaluable	
Bank Performance:	Moderately Unsatisfactory	Moderately Unsatisfactory	
Borrower Performance:	Unsatisfactory	Unsatisfactory	
Quality of ICR:		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

In fragile situations such the West Bank and Gaza, project design should be simple, minimizing the need for coordination among a significant number of actors. If the operation may have to undertake emergency actions, such as carrying out mass vaccination campaigns to counter a pandemic, arrangements with an external agency to ensure the availability of trained staff is necessary.

- In these conditions projects that are primarily based on the concerns of external actors have limited chances of success. Considerable emphasis should be placed during preparation and appraisal on building demonstrable ownership in local institutions and securing the basis of close collaboration and coordination between ministries, and with UN agencies where this is essential.
- In such situations all conditions should be met before Board presentation to ensure that the operation can move swiftly to effectiveness and implementation.
- The project's outcome raises the question of whether, in high risk situations such as were faced by this operation, the Bank's rather ponderous procedures for approval and supervision of projects, and for procurement, allow it to effectively use its comparative advantage in mobilizing financial resources and in helping introduce international best practices.

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The Note provides a satisfactory review of the performance and outcome of this cancelled operation. However, it would have been helpful if the NCO had reported, both in the body of the Note and in the Annex table, that Bank resources had been used to manage the parallel UNDP Grant as well as activities funded from the bank managed Trust Fund.

a. Quality of ICR Rating: Satisfactory