

**PROJECT INFORMATION DOCUMENT (PID)**  
**CONCEPT STAGE**

Report No.: PIDC225

<b>Project Name</b>	Afghanistan: System Enhancement for Health Action in Transition Project (P129663)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Afghanistan
<b>Sector(s)</b>	Health (70%), Public administration- Health (30%)
<b>Lending Instrument</b>	Specific Investment Loan
<b>Project ID</b>	P129663
<b>Borrower(s)</b>	Ministry of Finance, Ministry of Public Health
<b>Implementing Agency</b>	
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared</b>	29-Mar-2012
<b>Estimated Date of Appraisal Completion</b>	17-Sep-2012
<b>Estimated Date of Board Approval</b>	24-Jan-2013
<b>Concept Review Decision</b>	Track I - The review did authorize the preparation to continue
<b>Other Decision</b>	The review meeting concluded with the chair congratulating the team and advising to proceed with the preparation of the project.

**I. Introduction and Context**

Country Context

Country Context

1. Afghanistan has made significant progress since 2001 but these gains need continuous support. The country has faced more than three decades of war and civil unrest, which devastated the infrastructure of the country. Especially health and education infrastructure was badly damaged. However, over the last 10 years, with significant international assistance and security support good progress has been made in terms of improving basic infrastructure, communications and provision of basic social services. Such gains might be at risk with the ongoing transition process and pull-out of large numbers of international security troops, especially when the transition could possibly be accompanied by a reduction in overall development assistance.

2. Public expenditure is highly dependent on donor aid and likely to remain so in the near future. The economy is characterized by high reliance on agriculture which contributes to more than 50 per cent of the GDP and 60 per cent of the employment. Since FY2003/4, the country has seen high economic growth rates (9.1% on average), but with high levels of volatility due to agriculture's dependence on the weather conditions. About 36 percent of the Afghan population lives in poverty, i.e., approximately 9 million Afghans are unable to meet their minimum needs. Many more people are susceptible to becoming poor (National Risk and Vulnerability Assessment, 2007/8) Although fiscal position has improved in recent years with fiscal revenue growing at an average of 20 per cent per year, public spending remains highly dependent on donor assistance. In 2010, of the roughly US\$16.9 billion in total public spending financed through external assistance, only 3.3 billion were channeled through the "core" budget and was under the purview of the government's Public Financial Management systems.

Sectoral and Institutional Context

3. The Afghan health system has made considerable progress over the period 2003 – 2011, thanks to strong Ministry of Public Health (MOPH) leadership, sound public health policies, innovative service delivery, careful program monitoring and evaluation, and donor funding support. In 2003, the MOPH undertook a series of critical and strategic steps: it defined a basic package of health services (BPHS) and later an Essential Package of Hospital Services (EPHS); it established contracting on a large scale with international and national NGOs for delivery of these services; and it prioritized monitoring and evaluation of health sector performance.

A common set of indicators has been used to assess performance of service providers, and a third party has been recruited to perform national facility survey on a regular basis. Through deployment of predominately local consultants, the MOPH addressed the human resource capacity in terms of managing NGO contracts, tracking health sector progress through rigorous impact level monitoring and performing its stewardship functions effectively.

4. The results of the above efforts are encouraging but also indicate that more needs to be done. The number of functioning health facilities has increased from 496 in 2002 to more than 2,000 in 2011. The proportion of facilities with skilled female health worker has increased from 25% to 72%. The health management information system indicates more than a five-fold increase in the number of outpatients' visits from 0.23 visits per capita per year in 2004 to 1.29 in 2011. Data from household surveys (between 2003 and 2010) show significant improvement in the coverage of reproductive and child health services. At the outcome level, a nation-wide survey conducted in 2010 found an infant mortality rate of 77 per 1,000 live births and an under-five mortality rate of 97 per 1,000 live births, representing significant decline from the 2003 estimates.
5. Despite the aforementioned progress, the infant and under-five mortality rate in Afghanistan is still higher than the average for other low income countries. Maternal mortality ratio is 327 deaths per 100,000 live births. Besides cultural barriers especially for women to access health services, as the country is large, mountainous, poorly linked and with very low population density, physical access still remains an issue with more than 40% of the population living more than one hour's travel from a health facility. This is one of the factors contributing to low coverage of vaccination (DPT3 coverage is 43% in Afghanistan vs. 65% for other low income countries) and skilled birth attendance (<25%). Afghanistan has some of the highest levels of child malnutrition in the world. About 55% of children under-five suffer from chronic malnutrition and women and children suffer from high levels of vitamin and mineral deficiencies.
6. In 2008-2009, total health expenditures (THE) in Afghanistan was USD 1 billion, almost ten percent of the country's gross domestic product (GDP). This represented a per capita expenditure of almost USD 42. Of THE, government sources of funding accounted for six percent; donor sources 18 percent; and private sources 76 percent. Out of pocket spending on health was USD 31 per person. Outpatient care centers were the main providers of health care, representing 32 percent of THE, followed by hospitals, representing of 29 percent of THE.
7. Since 2003, IDA has been playing an instrumental role to assist the MOPH in building a cost-effective and results-oriented health system in the country through lending operations and analytical work. IDA has contributed about USD 200 million in this period for the health sector. In addition USD 46 million has been mobilized by the Bank through Afghanistan Reconstruction Trust Fund (ARTF), USD 17 million from the Japanese Social Development Fund (JSDF), USD 12 from Health Results Innovative Trust Fund (HRITF). The current financing of the Bank for the health sector through "Strengthening Health Activities for the Rural Poor" project became effective on April 22, 2009. The World Bank financing to-date has been basically focused on supporting the MOPH in an emergency mode to provide basic services with good achievements, though little emphasis has been put on the systems development for long term sustainable development of the sector. The project is financing health services in 11 provinces of a total of 34 provinces of Afghanistan. The project also finances the provision of Urban BPHS in Kabul city, the progress of which, due to start up related problems, has been very slow to-date. The current project will close on 30, September 2013. The proposed project is expected to start on October 1, 2013 and continue for five years up to September 30, 2018.
8. The European Union intends to provide its future support for BPHS and EPHS through the ARTF. Present EU support to BPHS and EPHS comes to an end by May 2013, i.e. around the same time as WB support. There is therefore a great opportunity for the two organizations and other partners to prepare their future support in a coordinated manner and in the process move the dialogue on programmatic support ( or a Sector-Wide Approach) dramatically forward. It is also a great opportunity to make substantial changes in the support program and make it more responsive to the present and future needs of the sector, i.e. move from an approach which was characterized by emergency to a systems approach focused on medium term sustainable development of the sector. Given the upcoming Transition a major realignment of foreign assistance to the

country is expected over the coming years, as such it would make even more sense to move towards a sectoral approach so that financing for the sectoral priorities can be better guaranteed through a well-coordinated effort by development partners.

#### Relationship to CAS

9. The proposed project is fully consistent with the Bank's latest (2009 – 2011) Interim Strategy Note (ISN), which emphasizes support to health sector among the key services to be delivered to the population as part of Pillar I – (Building the capacity of the state and its accountability to its citizens) to ensure the provision of services that are affordable, accessible and of adequate quality. A new ISN is being drafted now. As part of the new ISN, we envision that Bank's assistance to the sector will focus to building on early success and towards long-term and sustainable systems development.

## II. Proposed Development Objective(s) (Display Only - Pulled from PCN)

### Proposed Development Objective(s)

#### II. Proposed PDO/Results

##### A. Proposed Development Objective(s)

12. The proposed project will expand the scope and coverage of the services provided to the population, particularly for the poor, and will enhance the stewardship functions of the Ministry of Public Health.

##### B. Key Results

- o Increased proportion of births attended by skilled birth attendants
- o Improved antenatal care coverage among lowest income quintiles
- o TB treatment success rate maintained at least at current levels
- o Improved nutrition services coverage for the lowest income quintiles
- o Reporting and feedback provided through HIS becomes routine
- o Increased immunization coverage among children 12 – 23 months
- o Community midwives trained
- o A functioning pharmaceutical regulatory system established

Indicators of these key results will be discussed and agreed during project preparation.

## III. Concept Description

11. The SEHAT will build upon the ongoing Bank support but with more focus on system development of the regular structures in MOPH at central and provincial level in order to make these more responsive to the needs of the sector., i.e., the proposed operation would support the transition from an emergency response to a systems building approach focusing on medium term sustainable development of the sector.

12. SEHAT is proposed as a 5-year program to be funded through IDA and ARTF. The current understanding with the European Union (EU) is that its financing for BPHS and EPHS will be channeled through ARTF for three years from May 2013 onwards. Since the World Bank is administrator of the ARTF, the proposed project will include support for BPHS and EPHS services in provinces traditionally supported by the Bank as well as the 10 provinces currently financed by the EU.

A specific Investment Loan will be employed, but Disbursement-Linked Indicators will support the reforms under the systems development components of the project.

#### Components:

13. Component 1. Sustaining and improving BPHS and EPHS services (US\$ 270 million): The project will

support the implementation of the BPHS and EPHS through Performance Based Partnership Agreements (PPAs), i.e. contracts between MOPH and the implementing Non-Governmental Organizations (NGOs). It will also support the government's own efforts at delivering the BPHS through contracting in management services in the provinces the government selects. The project will also provide support for the implementation of an Urban version of the BPHS in Kabul city and will possibly be extended to other cities. There will be support to improve access to and quality of BPHS/EPHS services, training of additional community mid-wives and community nurses. In addition financing will be available for the HIV/AIDS prevention services for targeted population sub-groups: Injecting Drug Users, Men who have sex with men, Female Sex Workers and inmates. Priority will also be given to scaling up the nutrition interventions in BPHS/EPHS as these interventions have received relatively less attention so far. The contracting of NGOs will likely be done through a results-based approach, as is being piloted under SHARP.

14. *Component 2: Building the stewardship capacity of the MOPH and system development(US\$ 50 million), including:* a) public hospital reform and regulation of both public and private providers; b) building regulatory frameworks and capacity to conduct quality assurance of pharmaceuticals; c) building capacity for effective health promotion especially regarding nutrition and lifestyle; d) development and testing of innovative financing models for the sector; e) building/strengthening human resources management systems including appropriate use of TA, and expanding/creating training capacity for community midwifery, community nursing and hospital management; f) strengthening fiduciary system; and g) strengthening monitoring and evaluation including surveillance, HMIS, surveys, operational research, to improve evidence-based decision making. The SEHAT project will benefit from the CBR support to the health sector.

#### IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

#### V. Tentative financing

Financing Source	Amount
BORROWER/RECIPIENT	30.00
International Development Association (IDA)	50.00
Afghanistan Reconstruction Trust Fund	140.00
EC European Commission	130.00
Total	350.00

#### VI. Contact point

**World Bank**

Contact: Ghulam Dastagir Sayed  
Title: Senior Health Specialist  
Tel: 5232+3342 /  
Email: gsayed@worldbank.org

**Borrower/Client/Recipient**

Name: Ministry of Finance

Contact:

Title:

Tel:

Email:

Name: Ministry of Public Health

Contact: Dr. Ahmad Jan Naim

Title: Dr. Ahmad Jan Naim

Tel: 93700207826

Email: moph.tdd@gmail.com

**Implementing Agencies**

Contact:

Title:

Tel:

Email:

**VII. For more information contact:**

The InfoShop

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>