



1. Project Data:		Date Posted : 03/13/2003	
PROJ ID: P003624		Appraisal	Actual
Project Name: Cn-infectious Diseases (hlth5)	Project Costs (US\$M)	271.0	264.9
Country: China	Loan/Credit (US\$M)	129.6	126.7
Sector(s): Board: HE - Health (100%)	Cofinancing (US\$M)	0	0
L/C Number: C2317			
	Board Approval (FY)		92
Partners involved :	Closing Date	06/30/1999	07/30/2002

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2. Project Objectives and Components

a. Objectives

Project had two related objectives :

a) Reduce the risk of tuberculosis (TB) infection and schistosomiasis prevalence and infection rates . For TB, to expand and improve free, ambulatory treatment with short-course chemotherapy of patients with infectious pulmonary TB to achieve the reduction of infection rate more equitably and effectively in 12 provinces (about half China's population). For schistosomiasis, to revitalize and reorient the national schistosomiasis control program to reduce prevalence and rate of infection in eight remaining endemic provinces by implementing a morbidity reduction and control strategy with limited transmission control objectives; and

b) Institute reforms and improve program management to achieve greater efficiency and effectiveness of disease control activities. For both TB and schistosomiasis, and other important infectious diseases, to strengthen the institutions, management and financing systems, personnel and operational methods of disease control and to research, develop and disseminate cost effective methods and materials for improving future disease control and sustaining the progress made.

b. Components

Five components were described in the SAR as follows :

i) **TB Control Program** : expansion/improvement of TB diagnosis at all TB dispensaries, upgrading bacteriological services at

provinces/prefectures; provision of free short course chemotherapy (DOTS) to achieve high cure rates; improvement of case management with adoption of revised standard TB registry and reporting and supervisory protocol (\$69.8m)

ii) **TB Institutional Strengthening** : establishment of a national TB Project Office, reconstituting the TB Control Center with adequate resources to formulate/supervise/enforce national control policies for implementation by provincial TB program (PTP); reorganizing/upgrading PTP; implementation of TB Policy Package of administrative/technical/financial reforms to improve financing and management of provincial dispensaries; and undertaking of operational research into management/economic/social/epidemiological factors of TB control across China (\$52.7m);

iii) **Schistosomiasis Control Program** in accordance with Schistosomiasis Policy Statement : case identification/treatment of infected humans through chemotherapy, identification /treatment of infected animals, and snail control via mollusciciding and environmental control (\$112m);

iv) **Schistosomiasis Institutional Strengthening** : enhancement of resources and staff training at the national control program office, improvement of disease surveillance system and the program's M & E systems at all levels; undertaking of management/economic/social/epidemiological studies under the Joint Research Management Committee (\$27.7m)

v) **Central Operational Research** : improving surveillance and control of key infectious diseases ie . sexually transmitted diseases (STDs) and HIV/AIDS; epidemiological studies of all types of hepatitis and operational research on effective control of hepatitis B through immunization (\$2.7m).

c. Comments on Project Cost, Financing and Dates

Total project cost was \$264.9m against \$271m at SAR. IDA provided \$126.7m, the provinces \$137.5m and central government \$0.7m. Changes in exchange rates between SDR, USD and the RMB plus some savings from drug procurement generated some reserves which were reallocated to TB /schistosomiasis control, and some impact

studies. The project was extended first by 2 years to consolidate some gains and to impart greater attention to financial sustainability issues. It was extended a third year, closing in 06/30/2002 to ensure greater program sustainability and to aid preparation of another TB project.

3. Achievement of Relevant Objectives:

Overall objectives were achieved as follows:

- a) In all participating provinces, TB prevalence and risk of infection have declined. Project helped avoid 100,000 new infectious TB cases per year and a similar number of premature deaths from the single largest cause of adult deaths in China. Using the DOTS approach, free treatment was provided to all patients with highly infectious pulmonary TB, achieving a cure rate of 95.6% (vs 52% before the project). Schistosomiasis control exceeded its projected targets with 49% reduction in prevalence in humans, 47% reduction in prevalence in livestock and snail density reduced by over 70% in all 8 provinces. The national schistosomiasis program was strengthened, and a good balance was achieved between interventions/investments in morbidity reduction and environmental snail control;
- b) Significant reforms and institutional building were achieved in both programs. For TB, improved methods of diagnosis, treatment, supervision of therapy, enhanced laboratory procedures and reorganization of implementing agencies leading to better management, proper registration and follow up of cases, have substantially increased efficacy and efficiency of the program. Likewise, for schistosomiasis, efficiency/efficacy gains were realized via a complementary mix of morbidity treatment and environmental snail control, the establishment of a health education network and good operational research under the auspices of the Joint Research Management Committee.

4. Significant Outcomes/Impacts:

- Despite an ambitious project design in a complicated implementing environment (increasing market orientation and fiscal decentralization), project achieved very substantial changes in policy with respect to: application of the DOTS approach to TB case management, free treatment of smear positive cases, free universal immunization against Hepatitis B, institutionalization and enhancement of operational research capabilities for important infectious disease control (STDs, HIV/AIDS, hepatitis).
- TB Policy Package of administrative, technical and financial reforms to TB control was successfully institutionalized and has significantly improved the TB control network and upgraded capacities of TB dispensaries at province level.
- Positive changes in enabling environment which were institutionalized included incentive structure for health workers and reorganization/strengthening of sectoral organizations. High treatment/cure rates achieved.
- Success of DOTS approach in the project which covered 560 million people has led to its replication by the Bank in other TB programs, worldwide; and facilitated WHO adoption eventually of DOTS. The achievements of the TB component and innovations therein were recognized by TB specialists worldwide.
- Project targets of schistosomiasis component were exceeded.
- Operational research in hepatitis B and HIV/AIDS has led to a full fledged hepatitis B immunization program at government expense, a greater understanding of the AIDS epidemic and the launching of HIV/AIDS control efforts.

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

- Despite the significant policy and institutional changes adopted by both programs, project sustainability may be compromised by the largely inadequate public financing of the health sector and country's system of fiscal decentralization. The sector (MOH) has limited influence over the (public) health financing system in China. During project implementation, TB case detection was at times compromised due to shortage of counterpart funds in the poorer provinces/prefectures/counties - creating considerable variance in achievements across provinces. At project close, cuts of \$10 m were anticipated in the government budget for schistosomiasis control.
- Procurement during early stages of project was less than adequately handled and led to some delays and the purchase of low quality equipment.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Substantial	High	Project made critical contribution to country's ability to effectively use human, financial, and natural resources, in TB/schistosomiasis control, via significant outcomes outlined in section 4.
Sustainability:	Likely	Likely	Financial resilience at localized levels is uncertain. Sustainability is rated at the borderline of "likely".
Bank Performance:	Highly Satisfactory	Highly Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
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:

- High treatment and cure rates for TB were achieved because of good incentive structure to providers at local and dispensary levels.
- Project design and implementation paid careful attention to strengthening and institutionalizing a complete package of administrative, managerial and financial changes, necessary to support the technical interventions adopted by project.
- Similarly, the quality of technical work in project design and appropriate focus on the technical content of the operation during supervision, were critical to the success of the project .
- Wide variation in capabilities exist among implementers and beneficiaries in all large projects and special attention and mechanisms to assist poorer performers need to be better incorporated in project design .

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

Good quality ICR. Covers the most salient issues . Evidence presented consistent and convincing . However discussion of project achievements should be framed against project objectives instead of components .