



1. Project Data:		Date Posted : 08/14/2002	
PROJ ID: P005222		Appraisal	Actual
Project Name : Health And Family PI	Project Costs (US\$M)	294.0	284.28
Country: Iran	Loan/Credit (US\$M)	141.4	99.5
Sector(s): Board: HE - Health (99%), Central government administration (1%)	Cofinancing (US\$M)		
L/C Number: L3584			
	Board Approval (FY)		93
Partners involved :	Closing Date	06/30/1999	12/31/2001

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

a. Objectives

The general objective of the Project was to improve health conditions in rural Iran and to reduce population growth. During a 1998 supervision mission, these general objectives were not revised but made more specific as follows: (i) increase access to primary health care and family planning services in rural areas; (ii) improve management of health services; (iii) improve the quality of the family planning program; (iv) facilitate policy development in health care financing.

b. Components

The project had three components: Service Delivery (\$215 million; 85% of the total); Family Planning (\$36.4 million; 14% of the total); and Health Care Financing (\$0.5 million; 0.1% of the total). A Project Implementation Unit was also to be supported (\$2.1 million; 0.9% of the total).

c. Comments on Project Cost, Financing and Dates

The original project cost was \$294 million, with a loan of \$141.4 million. The ICR notes that final project costs cannot be evaluated because the project was not completed before the loan closing. \$99.5 million of the loan was disbursed by June 15, 2002, with \$42 million still undisbursed at closing. Government contribution at appraisal was \$130.5 million. Government contribution at latest estimate was \$184.5 million.

3. Achievement of Relevant Objectives:

Although Iran's population-level health and fertility outcomes improved during the period of project implementation, the project did not achieve its specific objectives. The ICR notes, and this reviewer agrees, that the project could be thought of as two separate projects. The first was an overly large and complex primary health care component, with too much emphasis on physical infrastructure, and too little political support, which largely failed to achieve its objectives. The second was a smaller, much less costly and more successful family planning project that was better conceived and supported, and achieved more of its objectives. The Government has demonstrated commitment to finishing implementation of key aspects of the project components that were not implemented in the Project, e.g., it has budgeted the necessary funds to finish construction of the remaining rural health centers, and has agreed to a Second Primary Health Care and Nutrition Project.

4. Significant Outcomes/Impacts:

The family planning component, small relative to the overall project, but substantially-sized itself, contributed to an improved method mix, increased modern contraceptive usage—especially in rural areas—and decreased total fertility. From 1992 (baseline) to 2000, the total fertility rate decline from 5.5 to 2.0, and the use of modern contraceptives among married women (15-49) increased from 35% to 74%. The Government is committed to the principles of access, equity, and improved health outcomes through primary care, which underlay the Project, as reflected in significantly higher Government contributions than originally planned. A number of positive steps were also taken to ensure sustainability of family planning services, including local production of contraceptives and the

use of male health workers to increase male use of contraceptive services.

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

Only ¼ of the planned 623 rural health centers were fully or partially operational by project close, and increased utilization at project-supported primary health care sites was not documented (in fact field visits suggested low utilization rates). Improved management of health services did not occur, including failure to operationalize a health care management information systems.. Training meant to enhance local service capacity was minimal and its provision was greatly delayed. Policy options for health care financing reform were not developed as planned. Indicators for monitoring and evaluation were not identified and data were not gathered except on a sporadic basis. The Project Implementation Unit performed poorly throughout, and was characterized by insufficient funding, insufficient mastery of Bank procurement procedures and fiduciary requirements, frequent change in management and staff, lack of effective monitoring, and lack of support from the government Planning and Budget Organization. Overall, the Project was over-ambitious, and Bank supervision was inadequate (including inadequate frequency and staffing of supervisory missions, frequent staff turnover, and failure to conduct a Mid-Term Review).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Moderately Unsatisfactory	While the health component fell short of its targets, the project appears to have contributed to substantial progress in family planning.
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Likely	
Bank Performance:	Unsatisfactory	Unsatisfactory	
Borrower Perf.:	Unsatisfactory	Unsatisfactory	Overall implementation performance was unsatisfactory, but the government's progress in family planning deserves noting.
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:

Strong sector analysis is a prerequisite for any country/sector in which the Bank is newly engaged; similarly, adequate and realistic institutional and capacity analysis is needed. The Bank must invest adequate resources for both Bank supervision and for counterpart capacity to manage, implement and evaluate the project. A sound system for M&E, including project-specific indicators -- not simply population-level -- are necessary for adequate attribution of project impact. Early and ongoing involvement of the Governmental planning and budget organization is critical.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR was comprehensive, internally consistent, and frank about the technical shortcomings of the Project and the management shortcomings of both the Borrower and the Bank. Ample evidence was provided for its judgments, and its Lessons Learned section is robust and germane.