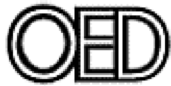
Public Disclosure Authorized

Public Disclosure Authorized



ICR Review
Operations Evaluation Department

Report Number : ICRR11567

1. Project Data:		Date Posted :	09/23/2003	
PROJ ID:	P002971		Appraisal	Actual
Project Name :	District Health Project	Project Costs (US$M)	75.1	65.3
Country:	Uganda	Loan/Credit (US$M)	45.0	45.0
Sector(s):	Board: HE - Health (91%), Sub-national government administration (5%), Health insurance (2%), Central government administration (2%)	Cofinancing (US$M)	23.2	17.5
L/C Number:	C2679			
		Board Approval (FY)		96
Partners involved :	KfW, SIDA	Closing Date	12/31/2002	12/31/2002
Prepared by :	Reviewed by :	Group Manager :	Group:	
E. Hazel Denton	Helen Abadzi	Alain A. Barbu	OEDST	

2. Project Objectives and Components

a. Objectives

To improve the health status of the Ugandan people, through pilot -testing and demonstration of the feasibility of delivering an essential health services package to District -level populations, within a prudent financial policy framework for the sector.

b. Components

The project had four components covering both district and central level activities :
(1) Pilot Activities ($8.2 million) Undertake pilot activities at the district level, to test new sector policies and strategies which would facilitate the implementation of essential health services (including new funding mechanisms for health services, contracting out repairs and maintenance, collaboration with private providers and NGOs, and testing the greater autonomy of Government health units through self -governing trusts, together with provision of equipment, medical supplies and modest civil works);
(2) Demonstration Activities ($19.1 million) Following the assessment of the delivery, management and impact of the essential health package in pilot districts, additional districts would be incorporated into the project in the demonstration phase.
(3) Capacity Building for District Health Administrations ($36.7 million) Provide support for nationwide institutional development of the District Health Teams to enable them to assume their new management responsibilities including collaboration with NGO and private health units; and
(4) Restructuring and Capacity Building for the Ministry of Health ($8.0 million) Build its capacity to provide health policy leadership and to support the Government's decentralization policy .

c. Comments on Project Cost, Financing and Dates

Project closed as scheduled on 12/31/2002, fully disbursed. Cofinancing was $5.7 million less than expected as two cofinanciers preferred to maintain vertical programs rather than support project activities . The Midterm Review was held one year later than planned, in October, 1998. While the project funding shifted toward capacity building instead of service delivery, and expenditure on civil works doubled, there was no project restructuring or change in goals and priorities.

3. Achievement of Relevant Objectives:

- Project played a pivotal role in building district -level capacity and supporting the process of decentralization in the health sector.
- Project was instrumental in supporting the Ministry of Health execute its new mandate of focusing on delivery of health policy rather than on provision of health services .
- Project was unsuccessful in demonstrating the feasibility of delivering an essential health services package . Expected improvements in service delivery and health outcomes were largely unrealized; there was no evidence to demonstrate that the Pilot and Demonstration Districts had better health gains compared to other Districts.

- Although the project's objective was to improve the quality and quantity of delivery of government -provided health care, over the life of the project there was an observed increase in the use of private health services across all income levels.
- Project initiated efforts to ensure sustainable health care financing, including assessing possible new health financing schemes, but no effective schemes were developed during the life of the project .

4. Significant Outcomes/Impacts:

- All Health Districts benefited from capacity building assistance (and the number expanded from 39 Districts at project initiation to a total of 56 when closed).
- Headquarters of the Ministry of Health were reconstructed and relocated - from scattered facilities in Entebbe to new facilities in Kampala - facilitating internal coordination, and also coordination with other Ministries, most of which are in Kampala.
- Ministry of Health formulated the new Health Policy, Health Sector Strategic Plan, and the Nutrition and Food Policy (although significantly behind schedule which left no time for the project to reflect their development).
- Activities in other sectors were supported which transcended the mandate of the Ministry of Health including salary arrears, manpower issues, and financial management issues outside the health sector, as part of providing support for government-wide reforms but there was no framework to tackle these issues systematically.
- Through intensive supervision in the latter part of the project, the way has been paved for the coming together of partners in a follow-up operation (SWAp), with policy dialogue supported by the recruitment of a health specialist at the Resident Mission..

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

- Project was launched with unrealistic timetables which undermined the overall approach . For example, (i) the pilot phase took far longer than the planned one year, the criteria for moving from pilot to demonstration phase were found to be untenable, and the two phases were ultimately merged . Eventual implementation benefited little from the planned pilot approach. (ii) The planned Policy Guidelines and Sector Strategy were completed late in the project schedule voiding the project's expected creation of cohesion in the sector .
- Planned support ($500,000) to NGOs was "grossly reduced" due to a shortfall in financing after some expected cofinancing was withdrawn (final amount of funding not given).
- None of the new health care financing schemes was found sustainable, and government cancelled the user fee program due to political and equity concerns.
- No Monitoring and Evaluation framework was agreed during the design stage of the project, nor during the life of the project. No key performance targets were identified.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	High	Modest	While significant gains were eventually made in policy development and capacity building, new health financing mechanisms were dropped; majority of district staff trained have not been retained by the district/sector in part due to a freeze on civil service hiring; planned coordination with private sector and NGOs limited by constrained funding and political pressures.
Sustainability :	Likely	Likely	Key reforms have been integrated into Ministry of Health operations, a follow-on project is supporting collaboration between development partners to implement the Health Policy, the capacity building initiatives are supporting the decentralized operation of Health Districts.
Bank Performance :	Unsatisfactory	Unsatisfactory	Prior project lessons warned against complex projects, such as this. Design had unrealistic timetables and omitted M&E framework; failure to restructure at Mid Term Review; little appreciation of political economy of reform program; failure to ensure commitment of partners

			led to financing shortfall; and unplanned expenditures undermined project implementation.
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:

- Project designs with a pilot phase must allow adequate time for lessons to be absorbed and incorporated .
- The commitment of other donors must be confirmed prior to project approval, to avoid undermining financing plans.
- Consideration of, and response to, the political climate for unpopular reforms is essential (through assessment of viability of policy changes, stakeholder involvement, and appropriate sequencing).
- Effective M&E framework is vital for effective supervision, implementation, and evaluation .

8. Assessment Recommended? ○ Yes ● No

9. Comments on Quality of ICR:

Very thorough and clearly written coverage with balanced reporting on a complex project . Further information on expenditures by component would have been helpful for understanding eventual project priorities .