



Nepal Health Sector Management Reform Program (P160207)

SOUTH ASIA | Nepal | Health, Nutrition & Population Global Practice |
IBRD/IDA | Program-for-Results | FY 2017 | Seq No: 1 | ARCHIVED on 05-May-2017 | ISR27555 |

Implementing Agencies:

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

The Program Development Objective is to improve efficiency in public resource management systems of the health sector in Nepal.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● High

Implementation Status and Key Decisions

The Nepal Health Sector Management Reform Program for Results was approved by the Board of Directors on January 13, 2017. An IDA Credit in the amount of US\$150 million was signed by Nepal and the World Bank on March 2, 2017. The Program became effective on April 13, 2017. The first implementation support mission took place from April 10-13, 2017 and the Bank noted that a number of the first year disbursement linked results (DLRs) are on track to be achieved by July 15, 2017, the Year 1 due date.

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P160207	IDA-59130	Effective	XDR	107.60	107.60	0.00	0.00	107.60	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P160207	IDA-59130	Effective	13-Jan-2017	02-Mar-2017	13-Apr-2017	15-Jul-2021	--

Risks

Systematic Operations Risk-rating Tool



Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	--	● High
Macroeconomic	● Moderate	--	● Moderate
Sector Strategies and Policies	● Moderate	--	● Moderate
Technical Design of Project or Program	● Moderate	--	● Moderate
Institutional Capacity for Implementation and Sustainability	● High	--	● High
Fiduciary	● High	--	● High
Environment and Social	● Low	--	● Low
Stakeholders	● Moderate	--	● Moderate
Other	● Moderate	--	● Moderate
Overall	● High	--	● High

Disbursement Linked Indicators (DLI)

► Percentage of contracts managed by the LMD through PPMO's online e-procurement portal (DLI 1). (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	--
Date	13-Jan-2017	--	--

Comments

Year 1 target: (i) Training on the use of PPMO's online e-procurement completed for at least 20 MoH staff; (ii) standard bidding documents for drugs and equipment developed for online e-procurement.

Status as of April 2017: (i) MoH is in discussion with the PPMO to organize this training and this is expected to be completed by May 31, 2017; (ii) Being prepared and will be finalized in collaboration with PPMO. This is expected to be finalized by June 30, 2017.

► Production and submission of the annual report on grievances received and addressed through a web-based grievance redressal mechanism (DLI 2). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Web-based Grievance Redressal Mechanism for procurement is not established.	--	MoH noted the need for technical assistance from Development Partners to help them draft guidelines customized for their needs.
Date	13-Jan-2017	--	13-Apr-2017



► Percentage of procurements done by the LMD using standard specifications (DLI 3). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Not based on standard specifications.	--	MoH reported it has endorsed standard specifications for basic package of drugs to be procured by LMD.
Date	13-Jan-2017	--	13-Apr-2017

Comments

Year 1 target: MoH endorses standard specifications for basic package of drugs to be procured by LMD.

Status as of April 2017: MoH reports this has been completed and that they will send the completion report to the independent verification agency (NHRC) by May 10, 2017.

► Percentage of district stores reporting based on the LMIS (DLI 4). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Percentage of district stores reporting based on the LMIS.	--	N/A
Date	13-Jan-2017	--	13-Apr-2017

Comments

Target / result begins in Year 2.

► Percentage reduction of stock-outs of tracer drugs in district stores (DLI 5). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Percentage as evidenced by LMIS data in year 3.	--	N/A
Date	13-Jan-2017	--	13-Apr-2017

Comments

No target for Year 1.

► Percentage improvement in the EVM score over 2014 baseline (DLI 6). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Average EVM score of 64%, with two attributes achieving 80%.	--	N/A



Date	13-Jan-2017	--	13-Apr-2017
Comments	Results to be achieved in Year 2 and Year 4.		

► Percentage of the MoH spending entities submitting annual plan and budget using eAWPB (DLI 7). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Not all spending units submitting annual plan and budget using eAWPB.	--	MoH reports that the targets for Years 1 & 2 have been met.
Date	13-Jan-2017	--	13-Apr-2017
Comments	<p>Year 1 target: MoH and all its departments, divisions and centers are given access to operate on eAWPB.</p> <p>Status as of April 2017: MoH reports the target for Year 1 has been met, as has the target for Year 2. It was agreed that the verification process would be completed by May 31, 2017.</p>		

► Percentage of the MoH's annual spending captured by the TABUCS (DLI 8). (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	70.00	--	--
Date	13-Jan-2017	--	13-Apr-2017
Comments	<p>Year 1 target: MoH has issued a circular mandating expenditure reporting through TABUCS by all spending units.</p> <p>Status as of April 2017: MoH reports that Year 1 target has been achieved and that verification would be complete by May 31, 2017.</p>		

► Percentage of audited spending units responding to the OAG's primary audit queries within thirty-five (35) days (DLI 9). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Percentage as derived from MoH inventory of responses in the first year.	--	In progress, requires follow up.
Date	13-Jan-2017	--	13-Apr-2017
Comments	<p>Year 1 target: All reports containing primary audit queries received by auditing spending units available at the MoH and inventory of responses by date provided by individual audited spending units available at the MoH.</p> <p>Status as of April 2017: MoH reported there is a functional module in TABUCS where the audited spending unit can provide responses to audit queries. The Bank informed MoH that in order to meet the DLR, they would need to complete the inventory as described in the DLR definition using the manual reports available with them. MoH agreed and noted this DLR could be achieved by July 15, 2017.</p>		



► Percentage of districts which have all facilities reporting annual disaggregated data using DHIS 2 (DLI 10). (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	--
Date	13-Jan-2017	--	--

Comments

Year 1 target: Plan for roll out of DHIS 2 finalized and DHIS 2 rolled out up to DHO level.

Status as of April 2017: MoH reported that this DLR has been achieved and verification should be complete by May 31, 2017. MoH also reported that the Year 2 DLR had been achieved and should be reported now given that DHOs may change under new federal structure.

► Operationalization of the citizen feedback mechanisms and systems for public reporting (DLI 11). (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	No citizen feedback mechanism in place.	--	Year 1 DLR at risk of not being met by July 15, 2017.
Date	13-Jan-2017	--	13-Apr-2017

Comments

Year 1 target: Citizen engagement mechanism options and public reporting systems developed by MoH for feedback on availability of drugs and facility-level services and disaggregated by gender.

Status as of April 2017: MoH reported preliminary work had begun on listing out various ongoing citizen engagement initiatives and public reporting systems. The Bank team reminded MoH that to achieve the DLR, MoH would need to prepare a strategy document outlining different initiatives it would like to pilot and institutionalize in different settings. MoH noted they would benefit from technical assistance in this area.

Results

Results Area

Intermediate Results Area

1. Improved Public Procurement
2. Improved Financial Management
3. Improved Reporting and Information Sharing for Enhanced Accountability and Transparency

Project Development Objective Indicators



► Percentage reduction of stock-outs of tracer drugs (DLI 5) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Percentage as evidenced by LMIS data in year 3	--	N/A - target set for Year 2	25% reduction in stock-outs of tracer drugs in at least two regions over the baseline established in year 3 through the LMIS.
Date	15-Jul-2019	--	13-Apr-2017	15-Jul-2021

► Percentage of the MoH's annual spending captured by TABUCS (DLI 8) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70.00	--	--	95.00
Date	13-Jan-2017	--	--	15-Jul-2021

Comments

Year 1 target: MoH has issued a circular mandating expenditure reporting through TABUCS by all spending units.

Status as of April 2017: MoH reports this target has been achieved and verification will be complete by May 31, 2017.

► Percentage of districts which have all facilities reporting annual disaggregated data using DHIS 2 (DLI 10) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	75.00
Date	13-Jan-2017	--	--	15-Jul-2021

Comments

Year 1 target: Plan for roll out of DHIS 2 finalized and DHIS 2 rolled out up to DHO level.

Status as of April 2017: MoH reports this DLR has been achieved and verification should be complete by May 31, 2017. They also report that Year 2 DLR has been achieved and should be reported now given that the DHO system may change under the new federal structure.

Year 2 target: Reports based on DHIS 2 available from all District Health Offices (DHOs).



Overall Comments

Intermediate Results Indicators

► Percentage of contracts managed by the LMD through PPMO's online e-procurement portal (DLI 1) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	90.00
Date	13-Jan-2017	--	--	15-Jul-2021

Comments

Year 1 target:

- (i) Training on the use of PPMO's online e-procurement completed for at least 20 MoH staff;
- (ii) standard bidding documents for drugs and equipment developed for online e-procurement.

Status as of April 2017/ISR #1:

- (i) MoH is in discussion with the PPMO to organize this training and this is expected to be completed by 31 May 2017.
- (ii) Being prepared and will be finalized in collaboration with PPMO. This is expected to be finalized by 30 June 2017.

► Production and submission of annual report on grievances received and addressed through a web-based Grievance Redressal Mechanism (DLI 2) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Web-based Grievance Redressal Mechanism for procurement is not established.	--	MoH requested technical assistance from Development Partners to help them draft guidelines customized for their needs.	Annual report on grievances received and addressed.
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

Comments

Year 1 target: Guidelines for Grievance Redressal Mechanism endorsed by MoH.

Status as of April 2017: MoH requested technical assistance from development partners to help them draft guidelines.



► Percentage of procurements done by the LMD using standard specifications (DLI 3) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not based on standard specifications	--	MoH reported that they have endorsed standard specifications for basic package of drugs to be procured by LMD.	90% of procurement of basic package of drugs and essential equipment based on the use of standard specifications
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

Comments

Year 1 target: MoH endorses standard specifications for basic package of drugs to be procured by LMD.

Status as of April 2017: MoH reported that they have endorsed standard specifications for basic package of drugs to be procured by LMD.

MoH will send the completion report to the Independent Verification Agency (IVA) by 10 May 2017. Verification is likely to be completed by 31 May 2017.

► Percentage of district stores reporting based on the LMIS (DLI 4) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	N/A	LMIS reports received from all central warehouses and all district stores of at least two regions.
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

► Installation of the LMIS to produce real-time web-based information (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Real-time web-based LMIS not in place	--	N/A	Installation of LMIS to produce real-time web-based information in all central warehouses
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021



► Training on LMIS completed in central warehouses and district stores (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	-	--	N/A	Training on operation of LMIS and installation completed for all central warehouses and district stores and baseline data generated for stock-outs of tracer drugs
Date	13-Jan-2017	--	--	15-Jul-2021

Comments
Result in Year 3.

► Percentage improvement in EVM score over 2014 baseline (DLI 6) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Average EVM score of 64%, with two attributes achieving 80%	--	N/A. Target set for Year 2.	Average EVM score of 80% (based on 2018 Survey) with any six attributes achieving 80%
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2020

Comments
No DLR for Year 1. Target set for Year 2.



► Percentage of all MoH spending entities submitting annual plan and budget using eAWPB (DLI 7) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not all spending units submitting annual plan and budget using eAWPB	--	MoH reports targets for Year 1 and Year 2 have been met.	eAWPB used for plan and budget submission by MoH and all departments, divisions, and centers, and 100% decentralized spending units.
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

► Percentage of audited spending units responding to the OAG's primary audit queries within 35 days (DLI 9) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Percentage as derived from MoH inventory of responses in the first year	--	--	10 percentage points increase in the number of audited institutions responding to primary audit queries within 35 days over percentage derived from the MoH inventory of responses of the previous year
Date	17-Jul-2017	--	--	15-Jul-2021

Comments

Status as of April 2017: MoH reported that there is now a functional module in TABUCS where the audited spending unit can provide responses to audit queries. The Bank recommended that for MoH to meet this first year DLR, they would need to complete the inventory as described in the DLR definition using the manual reports available with them. MoH agreed and noted that this DLR could be achieved by July 15, 2017.

► DHIS 2 implementation roadmap finalized (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	No DHIS 2	--	MoH reported that the plan for roll out of DHIS 2 is finalized and DHIS 2 has been rolled out up to district level.	Plan for roll out of DHIS 2 finalized
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

► Operationalization of the citizen feedback mechanisms and systems for public reporting (DLI 11) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No citizen feedback mechanism in place	--	MoH requested technical assistance.	Citizen feedback reports, based on data from six pilots in targeted geographical areas, on availability of drugs and facility- level services and disaggregated by gender available in public domain including on MoH website.
Date	13-Jan-2017	--	13-Apr-2017	15-Jul-2021

Comments

Status as of April 2017: MoH reported that preliminary work had begun on listing out various ongoing citizen engagement initiatives and public reporting systems. The Bank team noted that in order to achieve this DLR, MoH would need to prepare a strategy document outlining different initiatives it would like to pilot and institutionalize in different settings. MoH noted that they would benefit from technical assistance in this area.

Overall Comments