



1. Project Data :
OEDID: C2009
Project ID: P003483
Project Name: Integrated Regional Health Development Project
Country: China
Sector: Basic Health
L/C Number: C2009
Partners involved :
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2. Project Objectives, Financing, Costs and Components :
 The goal of the project was to provide a systematic framework within which China would experiment with new approaches to health policies and planning, with particular attention to building capacity to manage growth and change in the demand for health services, balance between curative and preventive services, improved institutional coordination, management of medical technology, human resource development (improving links between medical education and health needs) and pricing and payment issues. The project was composed of two primary instruments: the establishment of three regional health authorities to model and evaluate the 'regional approach' to health planning, and the development and use of Policy Guidelines (completed by joint Bank/Borrower teams during preparation) as a framework for regional health planners. Specific components for a) health planning and management, b) disease prevention and surveillance, c) health education, d) maternal and child health services, h) medical education and training, and i) equipment management were financed. Total project costs were estimated at US\$107 million (US\$113 million at appraisal) and were financed in part by a credit of US\$52 million which became effective in January, 1990. Following an one-year extension designed to disseminate its achievements, the project was closed in December 1997 and fully disbursed on June 5, 1998.

3. Achievement of Relevant Objectives :
 The central project objective was achieved. Regional health planning was successfully established in the three project regions, disseminated to other cities and provinces and was recently adopted by the State Development and Planning Commission and the State Council as a key strategy for health sector development. A health plan was agreed for each region during project preparation based on the project's Policy Guidelines and was modified through an annual review and planning exercise in each region (using specific monitoring indicators). Each of the individual technical components met its objective; the Borrower's evaluation of the project includes a detailed listing of these accomplishments. A major theme common to the achievement of particular objectives includes progress in the development and especially use of demographic and epidemiological data for evaluating and refining specific plans. In addition, the project enabled design and implementation of an extensive series of sectoral studies (4-5 major policy studies for each component) and the development, evaluation and dissemination of guidelines and manuals for the management of each of the technical areas covered by the components.

4. Significant Achievements :
 The project succeeded in reforming and strengthening institutional capacity in the sector through the development of a new approach to health planning which encouraged regional level coordination in the planning, management and delivery of services. It enhanced and expanded analytic capacity in the sector and encouraged the development of a system for and use of demographic data for sectoral policymaking.

5. Significant Shortcomings :
 Project implementation during the first two years was slower than expected due to problems with the implementation of onlending arrangements (provinces were responsible for loan repayment and bore the foreign exchange risk in the project) and constraints on counterpart funding due to a relatively slow pace of economic growth during the first two years of implementation. The project scope did not cover the increasingly significant private health sector. Since project objectives were defined primarily in terms of institutional development, evidence of the impact of the

successful accomplishment of these objectives on health sector performance is not reported in the completion report (though apparently available and employed by the Borrower in the preparation of its completion report .)

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Highly Satisfactory	Highly Satisfactory	
Institutional Dev .:	Substantial	High	Difference in rating scale in ICR guidelines and OED rating forms .
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

Successful project design depends on adequate sector analysis . In this case, project preparation overlapped with the conduct of a major review of the health sector, which enabled the findings of the later to be incorporated into the institutional approach and technical policy guidelines employed in the project . Complex, experimental projects can be successfully implemented in a limited geographic area, given sufficient allocation of funds to engage and build capacity for technical and management support . Flexibility in resource allocation and activity schedule, associated with clear guidelines, rigorous annual review and a commitment to the use of data to assess progress are useful strategies for managing sector improvement projects, and contribute to building managerial capacity . High levels of commitment, and participation in testing and analyzing results of project initiatives by all levels of government as well as outside professional groups assist the process of sector reform .

8. Audit Recommended? Yes No

Why? An audit (or, pending resource availability, project impact study) would enable assessment of the impact of the project's successful institutional reforms on health system performance and outcomes and would facilitate dissemination of the practices which contributed to this project's success .

9. Comments on Quality of ICR :

The ICR is complete and well written . Although the impact of the project's successful institutional changes on health system performance is not required because of the form in which project objectives are stated, an analysis of these impacts would strengthen the relevance of the project to sector reform efforts in other countries .