



## Nepal Health Sector Management Reform Program (P160207)

SOUTH ASIA | Nepal | Health, Nutrition & Population Global Practice |  
IBRD/IDA | Program-for-Results | FY 2017 | Seq No: 2 | ARCHIVED on 11-Oct-2017 | ISR29667 |

Implementing Agencies: Ministry of Health, Ministry of Finance

## 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	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● High	● 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 second implementation support review took place on September 11-15, 2017.

Based on the information available, the progress towards achieving the program development objective and the progress of implementation are satisfactory. It is expected that eight out of the nine the first-year Disbursement Linked Results (DLRs) will be achieved. Additionally, two of second-year DLRs will be achieved. The value of these results from the IDA Credit is about US\$23 million equivalent. The reporting and verification process is well advanced with the first disbursement expected to take place before end-November 2017. Though not yet due, progress has been made necessary to achieve the program indicators of reducing stock-outs through an improved logistics management system, capturing MOH expenditures in the financial management system and improving information through the planned rollout of the District Health Information Software 2 (DHIS 2).

## Data on Financial Performance

### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P160207	IDA-59130	Effective	USD	150.00	150.00	0.00	0.00	145.90	0%

### Key Dates (by loan)

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

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	● High	● High
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● High	● High	● High
Environment and Social	● Low	● Low	● Low
Stakeholders	● Moderate	● Moderate	● Moderate
Other	● Moderate	● Moderate	● Moderate
Overall	● High	● 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 September 15, 2017: (i) achieved; (ii) Not achieved. Standard bidding documents have been prepared but need to be finalized in collaboration with PPMO. MOH, with Bank's support, to follow-up with the Secretary of the PPMO upon his return from travels.

### ► 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.	--	Guidelines for Grievance Redressal mechanism endorsed by MOH



Date	13-Jan-2017	--	15-Sep-2017
<b>Comments</b> Year 1 target: Guidelines for Grievance Redressal mechanism endorsed by MOH Status as of September 15, 2017: Achieved			

► 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
<b>Comments</b> Year 1 target: MoH endorses standard specifications for basic package of drugs to be procured by LMD. Status as of September 15, 2017: Likely achieved. The MOH need to ensure that specifications online reflect the latest approved essential medicine list and to provide NHRC with the latest list.			

► 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
<b>Comments</b> 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
<b>Comments</b> 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
<b>Comments</b> 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	--	15-Sep-2017
<b>Comments</b> Year 1 target: MoH and all its departments, divisions and centers are given access to operate on eAWPB. Year 2 target: eAWPB used for planning and budget submission by MOH and all departments, divisions and centers Status as of September 15, 2017: Year 1-Achieved; and Year 2-Achieved. The access and entry of the eAWPB of the DOHS to be verified.			

► 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
<b>Comments</b> Year 1 target: MoH has issued a circular mandating expenditure reporting through TABUCS by all spending units. Status as of September 15, 2017: Achieved			

► 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.	--	Year 1 target- Achieved



Date	13-Jan-2017	--	15-Sep-2017
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**Comments**

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.

Status as of September 15, 2017: Achieved. The detailed analysis of the inventory to establish the baseline is still to be finalized.

► 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.

Year 2 target; Reports based on DHIS 2 available from all DHOs

Status as of September 15, 2017: Year 1- achieved and Year 2-achieved. MOH informed the mission that the Year 2 DLR is also met and will be reported as part of this verification cycle.

► 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 -achieved
Date	13-Jan-2017	--	15-Sep-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 September 15, 2017: Achieved.

## 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	N/A - target set for Year 4	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-Sep-2017	15-Jul-2021
Comments	Not yet due.			

▶ 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	Target set for Year 2, so not yet due.			

▶ 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	Target set for Year 2, so not yet due.			



## 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

DLR 1.1 Training on the use of PPMO's online e-procurement completed for at least 20 MoH staff- Achieved

DLR1.2 Standard bidding documents for drugs and equipment developed for online e-procurement- Not achieved. Standard bidding documents have been prepared but need to be finalized in collaboration with PPMO. MOH, with Bank's support, to follow-up with the Secretary of the PPMO upon his return from travels.

► 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.	Year 1 target: Achieved	Annual report on grievances received and addressed.
Date	13-Jan-2017	13-Apr-2017	15-Sep-2017	15-Jul-2021

## Comments

DLR 2.1 Guidelines for Grievance Redressal mechanism endorsed by MOH- Achieved



► 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.	Year 1 target achieved	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-Sep-2017	15-Jul-2021

Comments

DLR 3.1 MOH endorses standard specifications for basic package of drugs to be procured by LMD- Achieved

► 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	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-Sep-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	N/A	Installation of LMIS to produce real-time web-based information in all central warehouses





Date	13-Jan-2017	13-Apr-2017	15-Sep-2017	15-Jul-2021
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► Training on LMIS completed in central warehouses and district stores (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	-	N/A	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-Sep-2017	15-Jul-2021

► 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.	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-Sep-2017	15-Jul-2020

► 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.	Year 1 and Year 2 targets achieved.	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	13-Apr-2017	15-Jul-2021
Comments	<p>DLR 7.1 MOH and all its departments, divisions and centers are given access to operate on eAWPB- Achieved</p> <p>DLR 7.2 eAWPB used for planning and budget submission by MOH and all departments, divisions and centers- Achieved. The access and entry of the eAWPB of the DOHS to be verified.</p>			

► 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

DLR 9.1 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

Status- Achieved. The detailed analysis of the inventory to establish the baseline is still to be finalized.

► DHIS 2 implementation roadmap finalized (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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.	Year 1 and Year 2 targets achieved.	Plan for roll out of DHIS 2 finalized
Date	13-Jan-2017	13-Apr-2017	15-Sep-2017	15-Jul-2021



## Comments

DLR 10.1 Plan for roll out of DHIS 2 finalized and DHIS 2 rolled out up to DHO level- Achieved.

DLR 10.2 Reports based on DHIS 2 available from all DHOs- Achieved. MOH informed the mission that the year 2 DLR is also met and will be reported as part of this verification cycle

► 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.	Year 1 target achieved	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	13-Apr-2017	15-Jul-2021

## Overall Comments

DLR 11.1 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- Achieved