



Nepal Health Sector Management Reform Program (P160207)

SOUTH ASIA | Nepal | Health, Nutrition & Population Global Practice | Requesting Unit: SACNP | Responsible Unit: GHN19
IBRD/IDA | Program-for-Results Financing | FY 2017 | Team Leader(s): Kari L. Hurt, Manav Bhattarai, Vikram Menon

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Program Development Objectives

Program Development Objective (from Program 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)	● Moderately Satisfactory	● Moderately Satisfactory

Implementation Status and Key Decisions

Based on the information available, the progress towards achieving the program development objective is satisfactory. The Bank team notes the continued commitment of the MOHP and Development Partners to secure the Program results and the continued relevance of the Program during this national transition to a federal structure. The relevance will be continually reassessed as the functions and the financing of the health sector are being decentralized to subnational governments and as the Federal government is restructured to fit its evolving mandate. After accounting for the first-year results (for which two results were achieved ahead of time and one planned result was not achieved), there were now 10 results to be achieved by the end of the Fiscal Year 2017/18. Of these 10 results, seven have been achieved and are being verified. One another result related to social audits is reported to have been achieved and is expected to be verified soon. Though not yet due, progress has been made to achieve the program indicators of reducing stock-outs through an improved logistics management system.

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	25.99	130.11	17%

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	15-Jul-2021

Program Action Plan



Action Description	Establish (by January 2017) and maintain a Health Sector Partner Forum at the MoH (with annual consultations).				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	Yes	YEARLY			In Progress
Comments					

Action Description	Revise draft regulations for infection control and health care waste management and submit to parliament/cabinet				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	No		13-Jul-2018		Not Yet Due
Comments	Delayed. Draft document is still with Ministry of Forest and Environment (MoFE) and is in the process of being revised. MoHP is yet to develop Integrated infection control and health care waste management strategy.				

Action Description	Expand GESI strategy (to include issues of disability, geriatrics and rehabilitation of gender-based violence victims).				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	No		13-Jul-2018		In Progress
Comments	The GESI Strategy has been finalized and the Nepali version is awaiting endorsement by the cabinet.				

Action Description	Strengthen the LMD capacity for planning and budgeting, procurement, supply chain, monitoring, and quality assurance.				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	No		28-Dec-2018		Not Yet Due
Comments	Not yet due, but suspended due to federal transition.				

Action Description	Finalize CAPP by August every year.				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	Yes	YEARLY			In Progress
Comments					

Action Description	Establish a post-shipment quality assurance system.				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	No		13-Jul-2018		Delayed



Comments	Delayed. But process initiated.
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Action Description	Improve accountability and reporting mechanisms of grants provided by the MoH to different entities (e.g. grants provided to autonomous bodies captured by TABUCS).				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	Yes	CONTINUOUS			In Progress
Comments					

Action Description	Undertake a PETS in the health sector.				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Bank	No		14-Jul-2019		Revised Date
Comments	This action is temporarily suspended until such time as there is more stability in the PFM system.				

Action Description	Strengthen MoH internal control environment: (a) analyze compliance gaps between actual practice & MoH internal control framework (b) identify key measures to strengthen internal control within MoH for budget execution control & financial reporting.				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	Yes	CONTINUOUS			In Progress
Comments					

Action Description	The MoH reports credible and material complaints regarding fraud and corruption related to the Program to the World Bank (annually by September 1)				
Responsibility	Recurrent	Frequency	Due Date	DLI#	Status
Client	Yes	YEARLY			In Progress
Comments					

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	● Substantial	● Substantial
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

Results

PDO Indicators by Objectives / Outcomes

The PDO is to improve efficiency in public resource management systems of the health sector in Nepal				
▶ 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 4	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	15-Sep-2017	28-Sep-2018	15-Jul-2021
Comments				
▶ Percentage of the MoH's annual spending captured by TABUCS (DLI 8) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70%	MOH reports that Year 2 target is on track.	84%	95%
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	15-Jul-2021
Comments				
▶ Percentage of districts which have all facilities reporting annual disaggregated data using DHIS 2 (DLI 10) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0%	Not yet due	Not yet due	75%
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	15-Jul-2021

Comments

Intermediate Results Indicators by Results Areas

1. Improved Public Procurement				
▶Percentage of contracts managed by the LMD through PPMO's online e-procurement portal (DLI 1) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0% (no contract is through online eprocurement developed by PPMO)	MOH reports Year 2 target on track	81.55%	90% of value of total contracts managed by LMD done through online eprocurement
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	15-Jul-2021
Comments				
▶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.	Year 2 target: off-track	Year 2 target is being verified.	Annual report on grievances received and addressed.
Date	13-Jan-2017	15-Sep-2017	28-Sep-2018	15-Jul-2021
Comments				
▶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	Year 2 target-on track	DLR 3.2 achieved while DLR 3.3 not achieved	90% of procurement of basic package of drugs and essential equipment based on the use of standard specifications
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	15-Jul-2021
Comments				
▶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	15-Sep-2017	28-Sep-2018	15-Jul-2021



Comments				
▶ 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	MOH reports Year 2 target on track	DLR 4.1 achieved	Installation of LMIS to produce real-time web-based information in all central warehouses
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	15-Jul-2021
Comments				
▶ Training on LMIS completed in central warehouses and district stores (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	-	N/A	DLR 4.2 achieved	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	28-Sep-2018	15-Jul-2021
Comments				
▶ 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%	Year 2- target achieved	Year 2- target achieved	Average EVM score of 80% (based on 2018 Survey) with any six attributes achieving 80%
Date	13-Jan-2017	15-Sep-2017	28-Sep-2018	15-Jul-2020
Comments				

2. Improved Financial Management

▶ 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	Year 1 and Year 2 targets achieved.	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	28-Sep-2018	15-Jul-2021
Comments				
►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	86.7%	Expected 55% achievement this FY. Need to confirm corrected baseline of 44% by official communication.	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-Nov-2017	28-Sep-2018	15-Jul-2021
Comments				

3. Improved Reporting and Information Sharing for Enhanced Accountability and Transparency

►DHIS 2 implementation roadmap finalized (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No DHIS 2	Year 1 and Year 2 targets achieved.	Year 1 and Year 2 targets achieved.	Plan for roll out of DHIS 2 finalized
Date	13-Jan-2017	15-Sep-2017	28-Sep-2018	15-Jul-2021
Comments				
►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 reports Year 2 target on track	Off track. MOHP reports Year 2 target was achieved but not yet verified.	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	16-Apr-2018	28-Sep-2018	15-Jul-2021
Comments				

Disbursement Linked Indicators



►DLI 1 Percentage of contracts managed by the LMD through PPMO's online e-procurement portal (DLI 1). (Intermediate Outcome, 15,000,000.00, 7%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	0% (No Contract is through online e-procurement developed by PPMO)	MOH reports Year 2 target on track	81.55%	90%
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
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. DLI Target 1.3 At least 60% of value of total contracts managed by LMD done through online e-procurement of Year 2- 81.55% (achieved)			

►DLI 2 Production and submission of the annual report on grievances received and addressed through a web-based grievance redressal mechanism (DLI 2). (Intermediate Outcome, 11,000,000.00, 18%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Web-based Grievance Redressal Mechanism for procur	Guidelines for Grievance Redressal mechanism endo	Year 2 target achieved and being verified	Annual report on grievances received and addressed
Date	13-Jan-2017	15-Sep-2017	28-Sep-2018	--
Comments	DLR 2.1 Guidelines for Grievance Redressal mechanism endorsed by MOH- Achieved. DLI Target 2.2 Web-based Grievance Redressal Mechanism established and functioning; and training completed for various levels of staff responsible for grievance handling- Achieved and being verified			

►DLI 3 Percentage of procurements done by the LMD using standard specifications (DLI 3). (Intermediate Outcome, 14,000,000.00, 29%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Not based on standard specifications.	MoH reported it has endorsed standard specificatio	100% for drugs	90%
Date	13-Jan-2017	13-Apr-2017	28-Sep-2018	--
Comments	DLR 3.1 MOH endorses standard specifications for basic package of drugs to be procured by LMD- Achieved DLR 3.2 For Year 2 procurement, 70% of procurement of basic package of free drugs based on the use of standard specifications- 100% DLR 3.3 Verify that the MoH, through a public notification, has endorsed standard specifications for essential equipment procured by the LMD- off track			

►DLI 4 Percentage of district stores reporting based on the LMIS (DLI 4). (Intermediate Outcome, 16,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	LMIS not in place	LMIS installation process on track	LMIS in place and reporting will start in Year 3	LMIS reports for Year 5 received from all central and all district stores of two regions



Date	13-Jan-2017	13-Apr-2017	28-Sep-2018	--
Comments	LMIS installation process in two provinces completed.			

►DLI 5 Percentage reduction of stock-outs of tracer drugs in district stores (DLI 5). (Outcome, 10,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Percentage as evidenced by LMIS data in year 3.	N/A	N/A	25% reduction in stock-outs of tracer drugs over the baseline established in Year 3 in district stores through LMIS for at least two regions
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	Not yet due			

►DLI 6 Percentage improvement in the EVM score over 2014 baseline (DLI 6). (Intermediate Outcome, 4,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Average EVM score of 64%, with two attributes achi	Year 3 target achieved	Year 3 target achieved	Average EVM Score of 80% with any 6 attributes achieving 80%
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	Average EVM score of 82% with 4 attributes in EVM score achieving 80%. (target achieved).			

►DLI 7 Percentage of the MoH spending entities submitting annual plan and budget using eAWPB (DLI 7). (Intermediate Outcome, 15,000,000.00, 20%)				
	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Not all spending units submitting annual plan and	Years 1 & 2 targets achieved	year 2 target achieved	eAWPB used in Year 5 for plan and budget submission by MoH and all departments, divisions, centers, and 100% decentralized spending units
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	Year 1 & 2 targets achieved and disbursed.			

►DLI 8 Percentage of the MoH's annual spending captured by the TABUCS (DLI 8). (Outcome, 20,000,000.00, 20%)				
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	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	70%	MOH reports that Year 2 target is on track	84%	95%
Date	13-Jan-2017	13-Apr-2017	28-Sep-2018	--
Comments	Year 2 target achieved..			

►DLI 9 Percentage of audited spending units responding to the OAG's primary audit queries within thirty-five (35) days (DLI 9). (Intermediate Outcome, 15,000,000.00, 20%)

	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	Percentage as derived from MoH inventory of respon	Year 2-unlikely to be achieved	Year 2 target achieved, but baseline has been corrected which needs official communication	10 percentage points increase in audited institutions responding to primary audit queries within mandated 35 days over percentage derived from the MoH inventory of responses of Year 4
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	On track. Need to confirm corrected baseline of 44% by official communication. 270 Cost Centers under the Federal MOPH. Expected 55% achievement this FY.			

►DLI 10 Percentage of districts which have all facilities reporting annual disaggregated data using DHIS 2 (DLI 10). (Outcome, 20,000,000.00, 30%)

	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	0%	Year 2 target achieved	Year 2 target achieved	75%
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	Year 1 & 2 targets achieved and disbursed			

►DLI 11 Operationalization of the citizen feedback mechanisms and systems for public reporting (DLI 11). (Intermediate Outcome, 10,000,000.00, 20%)

	Baseline	Actual (Previous)	Actual (Current)	July 15, 2021
Value	No citizen feedback mechanism in place.	Year 2 DLR-on track	In process of being verified	Citizen feedback reports produced at the end of each pilot, made available on the MoH's website for the 6 targeted pilots.
Date	13-Jan-2017	16-Apr-2018	28-Sep-2018	--
Comments	MOHP reports that six pilot areas selected and officials trained on modified social audit and social audits completed. But yet to be verified.			



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