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| 1. Project Data : |
| OEDID: C2031 |
| Project ID: P000098 |
| Project Name: Health Services |
| Country: Benin |
| Sector: Basic Health |
| L/C Number: C2031 |
| Partners involved : |
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| Date Posted: 08/18/1998 |

2. Project Objectives, Financing, Costs and Components :

Objectives: The project's objective was to support a comprehensive package of national health policy reforms that would sustainably strengthen the government's capacity to respond to the essential health needs of the population, notably through improved quality and coverage of basic preventive and curative services, with a special emphasis on rural health facilities

Components: The project included two major components. The first, quick disbursing element of the project provided balance of payments support for the health and education sectors to be released during the first three years of the project once the government had made key sector reform decisions and measures contained in a detailed action plan. A second more traditional investment component supported sector reform measures in (a) sector management and organization; (b) sector investment planning and financial management and accounting; (c) health service delivery system; (d) manpower and human resources development.

Costs and financing: The total project costs were US\$ 24.5 million (US\$ 32 million at appraisal) of which the Bank financed US\$ 14.8 million (US\$ 18.6 million at appraisal). Co-financing of US\$ 9 million (US\$ 11.3 million at appraisal) was provided by Swiss Co-operation. The Bank credit was approved on June 6, 1989, was made effective on January 10, 1990 and was closed on its original closing date of September 30, 1997. The credit was fully disbursed on March 13, 1998, at which time a balance of US\$ 4.79 million was canceled.

3. Achievement of Relevant Objectives :

Key health indicators improved over the life of the project. These improvements can not be directly attributed to the project, though a number of the project's results, including improved availability and affordability of generic drugs, mobilization of support for recurrent expenditures through cost recovery. Revenues generated through cost recovery, retained at the facility level, cover close to 100% of the costs of replenishing essential generic drug supplies as well as varying proportions of other operating costs. In addition, community level health management committees strengthened and continue to strengthen accountability in the health sector. The project played an important role in nurturing and supporting sector reform by assisting (a) the reorganization of the MOH; (b) the adoption nationally of cost recovery and community participation; (c) the establishment of an independent procurement system; and (d) the establishment and utilization of tools and processes for the preparation of a three year rolling development plan. The quick disbursing component provided the framework and incentive for achieving these sector reforms.

4. Significant Achievements :

The establishment of health management committees at commune and subprefecture levels enhanced consumer participation in the design and implementation of sector policies. Committees are now actively involved in planning and budgeting activities in peripheral health facilities, the management of revenues generated through cost recovery (which are retained at the facility level and now cover close to 100% of drug and other operating costs and strengthened accountability in the sector. The social fund, established with government counterpart funds, filled critical gaps in the financing of the health and education sectors with a view to protecting them from the negative impact of structural adjustment.

5. Significant Shortcomings :

The project fell short of its human resource management objectives. A redeployment exercise, designed to improve the distribution of health providers was an initial success, but most redeployed personnel eventually returned to urban areas. Only the first of three phases of civil works were completed due to lack of skills in procurement, management and technical supervision by the implementing agency. The two most significant factors affecting project implementation were; (a) reluctance to embrace reforms and (b) a massive turnover of virtually all key actors in the Ministry that significantly diminished institutional memory and reduced the efficacy of the project.

| 6. Ratings : | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|--------------|--------------|---|
| Outcome : | Satisfactory | Satisfactory | |
| Institutional Dev .: | Partial | Modest | Project successfully established local level community cooperation; efforts to reform central MOH roles were less successful. |
| Sustainability : | Likely | Likely | |
| Bank Performance : | Satisfactory | Satisfactory | |
| Borrower Perf .: | Satisfactory | Satisfactory | |
| Quality of ICR : | | Satisfactory | |

7. Lessons of Broad Applicability :

The key lesson identified in the ICR is the need for all actors involved in project implementation to master the contents of the Development Credit Agreement and to follow it rigorously to ensure its full implementation- especially with regard to reform. This is particularly important in a situation where there is a frequent turnover of managers, decision-makers, technicians and service providers.

8. Audit Recommended? ☒ Yes ☐ No

Why? More complete documentation of the project's apparent success in cost recovery, community level co-management' of health services and reform of pharmaceutical policies would be relevant to other countries and health sector reform projects.

9. Comments on Quality of ICR :

The general quality of the ICR is satisfactory.