



1. Project Data

Project ID

P095171

Project Name

BR (MST) Bahia Health and Wtr Mgt (SWAP)

Country

Brazil

Practice Area(Lead)

Health, Nutrition & Population

L/C/TF Number(s)

IBRD-79510

Closing Date (Original)

31-Dec-2015

Total Project Cost (USD)

60,000,000.00

Bank Approval Date

02-Nov-2010

Closing Date (Actual)

31-Oct-2017

IBRD/IDA (USD)
Grants (USD)

Original Commitment

60,000,000.00

0.00

Revised Commitment

58,458,292.57

0.00

Actual

58,458,292.57

0.00

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2. Project Objectives and Components

a. Objectives

The objectives of the project were to: (a) increase access to clean water, sanitation and basic health care in at least 10 selected municipalities most affected by infectious intestinal diseases; and (b) improve neonatal health care in 25 selected hospitals using a Barema indicator of quality and efficiency (Loan Agreement, 7/18/12, p.6). The statements of objectives in the PAD and ICR are identical to the Loan agreement statement.

Revisions under a Level-2 restructuring. The project was restructured on 4/20/16 (see Section 2e), at which time US\$ 21.2 million had been disbursed. The objectives were not revised, but two associated



outcome targets were revised upwards. As the ambition of the project was not reduced, this ICR Review did not apply a split evaluation.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

Note: Both the ICR and the PAD recorded only the allocations of the Loan (Section 2e) without the Borrower contribution.

1. Contribute to reducing the infant mortality rate (neonatal and post-neonatal) in the State of Bahia (Appraisal US\$ 51.35 million; Actual US\$ 53.9 million).

Sub-component 1. A: Contribute to reducing post-neonatal mortality and morbidity due to infectious intestinal diseases in the state through the provision of support to increase access to clean water, sanitation and basic healthcare in municipalities most affected by infectious intestinal diseases through: (a) interventions in the health sector aiming at reducing the incidence and prevalence of infectious intestinal diseases as well as limiting unnecessary hospitalization in 25 selected hospitals, including the establishment of family health teams and vaccinations; and (b) interventions in the water sector aiming at supporting the state's long-term goal of providing sustainable water and sanitation services, through the provision of adequate water resources management and the construction of simplified rural water supply systems and sanitation modules.

Sub Component 1. B: Contribute to reducing neonatal mortality in 25 selected hospitals through the provision of support to selected municipalities to expand and improve the quality and efficiency of primary, secondary, and tertiary maternal and neonatal health care services by introducing *Programa Nascir* (the state program for improving the quality of neonatal health care services, based on incentives) in 25 selected hospitals in the form of per-capita premiums for each enrolled eligible beneficiary.

2. Technical Assistance for institutional modernization of health, water, and planning sectors (Appraisal US\$ 8.5million; Actual US\$ 4.5 million).

Provision of support to the state's management, monitoring, and evaluation capacity in the water, health, and planning sectors, including:

(a) Strengthening of the institutional capacity of the Secretariat of Planning of the State of Bahia through piloting and evaluation of public policies and reducing bottlenecks in the flow of funds, and management



and monitoring of multi-sectoral operations.

(b) Strengthening the institutional capacity of the Secretariat of Health of the State of Bahia in its essential public health functions; identifying gaps in competencies and processes required for carrying out the maternal and child health agenda; and promoting compliance among lower organizational levels and public hospitals and defining their targets within a results-based management framework.

(c) Strengthening of the institutional capacity of the Water and Climate Management Institute and Bahia Environmental Engineering Company through the development of strategic plans and a communication strategy; strengthening rural water supply teams; and development of a plan for remote operations that included enhancing efficiency, finding alternatives to transfer knowledge, lowering costs, and creating staff incentives for improved performance.

(d) Provision of support to the State Court of Accounts for updating administrative and processing systems to provide timely review and monitoring of government investment operations.

Supplementary activity added in 2016: Support provided to the state in confronting Zika Virus.

In 2016, the state was facing an emerging Zika Virus epidemic, and the Bank agreed to allocate US\$ 1.4 million equivalent to support the state in strengthening its capacity to manage the crisis. Funds were available in local currency, as exchange rate fluctuations resulted in excess of financial resources in local currency (at appraisal, the exchange rate was R\$ 1.8 per US\$ 1, and by early 2016, the exchange rate was R\$ 3.95 per US\$ 1). The Bank determined that related activities (see Section 4) were responsive to the original objectives and that an amendment to the Loan Agreement was not necessary (ICR, p. 22).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Costs and financing. The lending instrument was designed as a sector wide approach, as the project supported budgeted and prioritized activities under the health and water sectors. As stated above in Section 2d, both the ICR and the PAD recorded loan allocations only, and did not include the financial contributions of the Borrower. The TTL noted that government financing was not included to be consistent with the PAD (TTL clarifications, 5/24/18). The reasons for non-inclusion of government financing in the PAD were unknown to the team; however, the TTL stated that governmental pluri-annual plans included all activities to be financed under a specific sector, but that the availability of details depends on the government's decision. The original project cost related to the Bank financing share was estimated at US\$ 60 million. Actual costs at closing amounted to US\$ 58.46 million, reflecting a Loan disbursement of 97.4%.

Note: Complementary support by Bahia Development Policy Loan (DPL): The ICR (p. 21) noted that project objectives were in part supported by a DPL of US\$ 400 million (P147984), approved on 7/30/14, that included service delivery improvements to women, maternity hospitals, and teenage pregnancy awareness.

Dates. The PAD was dated 10/29/10, and the project was approved on 11/2/10. However, the project became effective only on 8/30/12 due to approval delays by the Borrower. The Mid-Term Review was undertaken on 7/31/14. On 11/30/15, the Loan closing date was extended by four months from 12/31/15 to 4/30/16 to allow the completion of a full Level II project restructuring on 4/20/2016. The 2016



restructuring moved the main coordinating agency (the Superintendence for Technical and Financial Cooperation) from the Secretariat of Planning to the Secretariat of Finance because of changes in state government leadership (ICR, p. 21 and the Restructuring Project Paper, 4/20/16, p. 6). The restructuring revised the results framework, disbursement estimates, and allocations among categories; and extended the closing date by 18 months from 4/30/16 to 10/31/17, at which date the project closed, two years after the original closing date.

3. Relevance of Objectives

Rationale

At appraisal, the State of Bahia, with 14 million inhabitants, faced significant health challenges and was ranked 22 out of 27 federative units on Brazil's Human Development Index (PAD, p. 2). 53% of the state population lived in poverty, and the illiteracy rate was 20.4%. Only 31.7% percent of rural households had access to safe water supply. The maternal mortality ratio was high at 106.7 deaths per 100,000 live births. The infant mortality rate was 27.3 deaths per 1,000 live births, 69.2% of which were due to neo-natal mortality, i.e., deaths among infants under the age of 28 days. Low birth weight contributed to neonatal mortality, and the lack of clean drinking water, sanitation services, and adequate hygiene were all correlated with infectious intestinal diseases.

At project closing, relevance of objectives remained consistent with the Country Partnership Framework FY18–FY23. Specifically, the objectives remained consistent with Focus Area 1: Fiscal Consolidation and Government Effectiveness, under Objective 1.4: Increase Effectiveness of Service Delivery in Health. This objective aims at supporting health service delivery through an increased focus on efficiency and on consolidation of ongoing work to strengthen government capacity. It aims at improving service delivery models by improving targeting policies, increasing accountability for results, and shifting from expanding access to increasing quality. The project's focus on improving the quality and efficiency of maternal care under a results-based approach responded to this objective.

The objectives also remained consistent with Focus Area 3: Inclusive and Sustainable Development, under Objective 3.3: Promote Socioeconomic Development of Small Rural Producers and Vulnerable Groups, which aims at improving water security through a combination of better water resources management, more efficient water services provision, and more resilient water infrastructure. The project's focus on providing water supply to 10 municipalities with low Human Development Index and the highest rates of infectious intestinal diseases remained aligned with this objective. Also, the project was consistent with the trend toward subnational dialogue and lending in Brazil. However, the ICR (p.12) stated that relevance of objectives was slightly diminished under the Country Partnership Framework's proposed shift toward the treatment of noncommunicable diseases in better served regions.



Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Increase access to clean water and sanitation in at least 10 selected municipalities most affected by infectious intestinal diseases.

Rationale

The project activities, consisting of construction of simplified water supply systems, adequate water resources management, and sanitation promotion could reasonably be expected to result in increased access to clean water and improved sanitation in selected municipalities most affected by infectious intestinal diseases.

Outputs

- 216 simplified water supply systems were built.
- 1,100 rural sanitary pilot modules were built (sanitary facilities/bathrooms with septic tanks, TTL clarification, 5/24/18).
- 152 communities adhered to the "Community with Healthy Habits" Program. 2,460 households were certified with healthy habits.
- 3 River Basin Plans were prepared and approved.
- 916 water volunteer agents were trained in social mobilization.
- An integrated underground water monitoring network was established. 100 platforms for collection of data on underground water were installed (automated devices with sensors to measure environmental variables, including precipitation, temperature, dew point -- TTL clarifications, 5/24/18).
- 20 platforms for collection of complete weather data were installed.
- 40 platforms for collection of hydrological data were installed.
- A geographic information system unit within the Bahia Environmental Engineering Company was created.
- 220 public officials were trained in management.

Intermediate results indicators progressed as follows:

- The number of simplified water supply systems constructed and operating in at least 10 selected municipalities and in areas of influence of the 25 hospitals with the highest infectious intestinal disease



hospitalizations increased from a baseline of 215 in 2010 to 431 water supply systems in 2017, almost fully achieving the targeted 435 systems.

- The number of rural sanitary pilot modules built in at least 10 selected municipalities increased from a baseline of 19 in 2010 to 1,117 in 2017, exceeding the target of 1,019.
- Three River Basin Plans were prepared and approved by the River Basin Committee, including studies for classifying water bodies, short of the target of 4.
- 916 community voluntary agents were trained and operational, exceeding the target of 900.
- 220 public officials were certified in public management, exceeding the target of 100.
- Five studies for restructuring the Riverine Riparian Forests Program (for recovering riverine vegetation, TTL clarifications 5/24/18) were completed and implemented, exceeding the target of 4.

Outcome

The number of people served by simplified water supply systems and basic sanitation in at least 10 selected municipalities prioritized by the project increased from a baseline of 29,323 persons in 2010 to 53,449 in 2017, almost attaining the target of 58,326 persons.

Rating

Substantial

Objective 2

Objective

Increase access to basic health care in at least 10 selected municipalities most affected by infectious intestinal diseases.

Rationale

The outputs, consisting of deployment of family health teams and the provision of vaccinations for children, could reasonably be expected to contribute to the outcome of increased access to basic health care in the selected municipalities.

Outputs

- 83 family health teams were appointed and made operational.
- 649,753 doses of oral vaccine against human rotavirus were provided to children under one year (first dose).
- 572,657 doses of oral vaccine against human rotavirus were provided to children under one year (second dose).



- A rapid assessment of the state's response to the Zika epidemic was carried out using a common tool designed by the World Bank, the Inter-American Development Bank, and the Pan-American Health Organization. The ICR also described related activities (p. 39) with corresponding expenditures (p. 63). Zika-related activities included:
 - Home visits to combat and control Aedes Aegypti mosquitoes.
 - Registration and follow up of pregnant women with arboviruses.
 - Follow up of 206 children with microcephaly.
 - Two reports prepared by the State Committee on the Prevention of Fetal and Infant Deaths.

Outcomes

- Population coverage by family health teams in the State of Bahia increased from a baseline of 53.2% in 2010 to 72.4% in 2017, exceeding the target of 68%.
- The percentage of annually investigated hospitalizations of children under five due to infectious intestinal diseases in 25 hospitals increased from a baseline of 0 in 2010 to 50% in 2017, attaining the target of 50%.

Rating

Substantial

Objective 3

Objective

Improve neonatal health care in 25 selected hospitals using a Barema indicator of quality and efficiency.

Rationale

Barema indicator: The Barema indicator was a composite outcome indicator specifically developed for the project. It included 10 intermediate effectiveness performance indicators created to measure improvements in the quality and efficiency of neonatal health care in selected hospitals, as follows: (i) Mother Kangaroo Program (skin-to-skin contact and exclusive breastfeeding) implemented; (ii) number of deliveries; (iii) percentage of neonatal deaths investigated, discussed, and analyzed by the Neonatal Mortality Committee; (iv) number of hospitals selected with neonatology services implemented; (v) number of hospitals selected with Milk Bank implemented; (vi) index of intensive treatment unit beds/obstetric beds; (vii) proportion of intensive care unit beds/obstetric beds; (viii) mother and child joint beds; (ix) percentage of intensive treatment unit beds referred from the central referral system, and (x) signed management contract



agreements.

25 selected hospitals: These consisted of reference maternity hospitals that accounted for 42.8% percent of all deliveries, and that reported 60% of all neo-natal deaths in the State of Bahia (ICR, p. 19).

Activities related to maternal and neonatal health care services, including follow up of pregnant women in the community, promotion and referral of deliveries and potential risk births to maternity facilities, and service quality improvements, would plausibly result in improved neonatal health care in the reference maternity hospitals.

Outputs

- 130 consolidated reports of clinical audits were completed in the 25 selected hospitals.
- Two annual reports of live births to mothers having seven or more prenatal consultations were prepared.
- 35 support units were established for family health teams.
- 13,710 high risk births took place in reference maternity hospitals.
- 24,000 rapid syphilis tests were carried out for pregnant women.
- 11,778 litres of breast milk were collected by milk banks in the state.
- Two reports of the State Committee on Maternal Mortality were completed.
- 25 diagnostics of quality of care were prepared (assessment of clinical procedures and care, TTL clarifications, 5/24/18).
- 974,225 home visits to pregnant women were undertaken by community health agents.

Intermediate results indicators progressed as follows:

- The percentage of live births in the 25 selected hospitals in relation to the number of births in the State of Bahia increased from a baseline of 37% in 2010 to 46% in 2017, exceeding the target of 42%.
- The percentage of hospital neonatal deaths, occurring in the selected maternity hospitals and investigated, increased from a baseline of 40% in 2010 to 80% in 2017, attaining the target of 80%.

Outcomes

- The percentage of overall improved Barema indicators in all 25 reference hospitals increased from a baseline of 40% in 2010 to 91.6% in 2017, exceeding the target of 85%.
- The number of the 25 hospitals that have achieved at least 80% of the Barema indicators increased from a baseline of 0 in 2010 to 22 hospitals in 2017, exceeding the target of 18 hospitals.



Rating
High

Rationale

In conclusion, overall efficacy is rated Substantial based on the aggregation of two Substantial ratings and one High rating among the three objectives.

Overall Efficacy Rating
Substantial

5. Efficiency

The PAD's economic analysis (pp. 92-93) compared project costs against expected benefits, which included deaths averted, years of productive life saved, and health care costs avoided. A discount rate of 3% was applied. The analysis estimated that the project would potentially save over 1,300 lives and contribute to 68,800 productive life years in the economy, and that the project would yield a present value of net benefits of US\$319 million and produce an estimated IRR of 31.6 percent. The ICR stated that the ICR team did not have access to the underlying assumptions of the PAD's analysis and therefore could not replicate it.

The ICR analyzed child mortality in relation to the costs of the Loan only. The analysis used data on mortality and costs of hospitalizations related to diarrheal cases. The analysis considered the period 2017-2022, as project benefits were expected to continue beyond project closure. The GDP per capita projections from the International Monetary Fund were used to estimate the value of lives. A 3% discount rate was applied. Estimates were reported in local currency, the Brazilian Real. The ICR (p. 45) estimated the following: 289 deaths averted; 21,097 years of life lost avoided; 12,716 years of productive life lost avoided; R\$337,710,037 present monetary value of deaths averted; and 210,343 hospitalizations prevented with savings of R\$77,493,037. The net benefits were estimated at R\$223,043,170, the benefit-cost ratio at 1.16, and the IRR at 11 percent. The ICR (p. 51) noted that although the rate is considered favorable, a higher efficiency was expected at appraisal (IRR: 31.6%).

The ICR noted the weaknesses of the economic analysis (ICR, p. 46), notably the exclusion of public resources allocated to the same programs, and the limited scope of the analysis that covered only diarrheal disease mortality in children, while the Loan reached a much broader spectrum of interventions in the health and water sectors.



Also, the project had significant shortcomings in the efficiency of implementation. Project effectiveness was delayed by two years due to the long time required for approval at the federal level (ICR, p. 20). The ICR (p. 22) noted that procurement processes suffered important delays within government agencies, and that this contributed to the delayed implementation, with most of the Loan proceeds (US\$ 58.3 million out of US\$ 60 million) having been disbursed only after a 22-month project extension.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	31.60	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	11.00	13.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives is assessed across the entire project and is rated Substantial, as the objectives remained consistent with Bank and government strategies. Efficiency is also assessed across the entire project and is rated Modest because of significant shortcomings in the efficiency of implementation, and a limited economic analysis that precluded judicious conclusions. Efficacy is rated Substantial as detailed in Section 4. Therefore, overall Outcome is rated Moderately Satisfactory, indicating moderate shortcomings in the project's preparation, implementation, and achievement. In conclusion, the objectives were substantially achieved, but with efficiency concerns.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

The activities supported by the project are likely to be maintained as they constitute priority investments in the state's multiyear plans, and over the following five years, as agreed with the federal government. Project



activities continue to benefit from both state and federal funding. The state implementing agencies were strengthened through capacity building, and the water and health sectors gained substantial experience in results-based approaches. An important contribution noted by the ICR (p. 16) was the strengthened state capacity in promoting a multisectoral approach to investments, and which have lasting implications. For example, the Secretariat of Health worked jointly with Bahia Environmental Engineering Company in sanitation investments in municipalities; with the Secretariat of Education to promote family planning among adolescents; and with the Environmental and Water Resources Institute in sharing information generated by the Climate Monitoring System with respect to the impact of climatic changes on the proliferation of arboviruses.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project's results-based orientation was relevant as it facilitated the integration of multisectoral activities. The State of Bahia had defined programs, and the design facilitated both multi-sector and specific program support, while concurrently strengthening state government systems in results-based allocations (PAD, p. 5). The design planned for disbursements to be made against predefined outputs and according to a per capita premium per eligible beneficiary for obstetric and neonatal care (ICR, p. 19). The preparation team included both health and water specialists as co-task managers. Lessons from prior projects and from international experience in the health and water sectors were considered and incorporated, including the multi-sector Acre project (highlighting a territorial vision rather than a one-sector vision); Argentina's *Plan Nacer* with its structured system of incentive payments to improve health outcomes for mothers and newborns; and Bahia Water Resources Management Project highlighting consensus-building, as "*water reforms affect everyone*" (PAD, p. 9). Implementation arrangements were adequately prepared (PAD, pp. 10-16), although there was complexity in view of the multiplicity of agencies involved at state and municipal levels (ICR, p. 26), and which was addressed through institutional strengthening and technical assistance. Environmental and social safeguards were well prepared and disclosed. M&E arrangements were adequate, but with design issues notably related to the complexity arising from the introduction of the new Barema composite indicator (Section 4, Objective 3; and ICR, p. 26). According to the ICR, the risk of delayed effectiveness was not identified, although it was a common occurrence in the Bank's Brazil portfolio.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank's supervision team, which included health and water specialists, reportedly provided continuous implementation support and advice on monitoring, with adequate reporting. The Bank's procurement and financial management teams provided training, including for results-based procedures and technical audits.

With a two-year delay in project effectiveness and implementation, the team reportedly was constantly preparing detailed action plans for over 100 activities to put implementation and disbursements on track, and



closely followed up on agreed actions. The 2016 project restructuring was pertinent and facilitated implementation progress. However, the ICR noted that both the Mid-Term Review and the project restructuring were unnecessarily delayed even after it became clear that the project was facing implementation challenges and low disbursements (ICR, p. 26).

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The objectives to increase access to clean water and basic health care, and to improve neonatal care, were well specified. The indicators were measurable and reflected the operation's contribution toward achieving the intended outcomes. The project also defined outputs that would trigger disbursements. Baseline data were available, and M&E arrangements were aligned with existing government systems, except for the Barema indicator (Section 4, Objective 3) that was a new composite indicator to measure improvements in the quality and efficiency of neonatal health care. The Barema indicator was developed specifically for this project and was not fully compatible with the Unified National Health System.

b. M&E Implementation

The state government faced difficulties in dealing with the new Barema indicator, but the challenges were eased with intensive implementation support (ICR, p. 23). During implementation, two outcome targets were revised upwards (percentage of the overall Barema indicators improved in all 25 reference hospitals: from 80% to 85%; and the number of the 25 hospitals that have achieved at least 80% of the Barema indicators: from 15 to 18). For a third indicator (number of beneficiaries served by simplified water supply systems and basic sanitation), the baseline and target were revised and updated according to the revised list of municipalities. The performance of the Unified National Health System audit agency was reportedly high, and the ICR provided very praiseful comments (ICR, p. 24, and p. 27).

c. M&E Utilization

First, M&E findings were used for basic project needs in monitoring and evaluation, and in substantiating disbursements. Second, the ICR noted that M&E feedback, provided by the auditors of the Unified National Health System, fed into systemic service delivery improvements, and that the Secretariat of Health of the



State of Bahia used the feedback for improving the implementation of key health activities (ICR, p. 24). The TTL (5/24/18) provided clarifications about such improvements: M&E audits were not only about the quantitative outputs, but provided recommendations for improving services, and audit findings were shared with the service units. For example, for vaccinations, the audit reviewed procedures for cold storage, staff quality, and delivery procedures. For hospitalization, the audits addressed the quality of recording of hospitalizations and the hospitalization experience, aiming at improving results and reducing costs.

The ICR concluded that the M&E system provided a suitable framework to substantiate disbursements and to monitor progress, and that it was also instrumental in supporting systemic improvements by Secretariat of Health (ICR, p. 24).

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The Project was classified as Category B and triggered the following environmental and social safeguard policies: Environmental Assessment (OP/BP 4.10), Natural Habitats (OP/BP 4.04), and Indigenous Peoples (OP/BP 4.10). An Environmental and Social Management Framework, an Environmental Management Plan, an Indigenous Peoples Framework, and an Indigenous Peoples Plan were prepared, disseminated, and disclosed. Overall, safeguard policies were complied with, although some shortcomings in medical waste management plans were noted in a few hospitals (TTL clarifications, 5/24/18).

A safeguards evaluation was carried out in 2014. The evaluation reviewed the state's environmental safeguards, including simplified water systems and sanitation modules. It reported adequate compliance overall. The evaluation reviewed compliance with social safeguards and highlighted the institutionalization of social safeguards within the project and emphasized the high quality of the process followed (ICR, p. 25). Progress in the implementation of activities related to the Indigenous Peoples policy (OP 4.10) included training, development of a manual for municipal managers, manual dissemination to all municipalities, and a study of indigenous populations' health conditions, the first undertaken in the state.

b. Fiduciary Compliance

Financial Management. The State Secretariat of Planning had overall responsibility for financial management, assisted by a Project Coordination Unit, and in liaison with the State Finance Secretariat for project accounts oversight. Financial management performance was adequate in general, but with delays in interim financial reports and audit reports. Financial management was rated as moderately satisfactory



throughout the project period. The interim financial reports were all considered acceptable. All audits were unqualified. No instances of ineligible expenditures were identified (ICR, p. 25).

Procurement. Procurement was undertaken in accordance with Bank guidelines or through national methods deemed acceptable to the Bank. While there was compliance with the guidelines, the main issue consisted of delays in approvals and contract awards by the state, resulting in almost doubling the time for contract approvals (ICR, p. 25). These constraints contributed to overall delays in project implementation.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of M&E	Modest	Substantial	The ICR rated M&E Quality as Modest because of the introduction of a complex composite indicator that was not compatible with the national information system. At the same time, the ICR noted that related difficulties were overcome with intensive implementation support; commended the high performance of the Unified National Health System state audit agency; concluded that the M&E system provided a suitable framework to monitor project progress; and stated that M&E audits were instrumental in supporting



		systemic improvements. This ICR Review rated M&E Quality as Substantial because M&E arrangements and findings were sufficient to validate reported outcomes.
Quality of ICR	Substantial	---

12. Lessons

The ICR (pp. 27-29) offered several useful lessons, including the following lessons restated by IEG:

- When projects finance government programs, the use of national database indicators facilitates the implementation of M&E and prevents complexities arising from the introduction of additional non-essential indicators. The introduction of the Barema composite indicator generated little more information than what could have been provided by simple individual indicators, and made its monitoring unduly complex to the client (Section 9).
- A sector wide approach provides a valuable instrument to promote results and multi-sectoral development. This was demonstrated by the overall project experience in the water and health sectors, and in the examples noted in Section 7.
- The deployment of water volunteer agents facilitates social mobilization and participatory management of water resources in the community. The project trained more than 900 voluntary agents (Section 4, Objective 1) to work with local communities, promote awareness, and explain to the beneficiaries their rights and responsibilities with regard to the newly acquired water services, including their rights to complain about issues in water service provision.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was well-written and very candid. It provided a comprehensive overview of the project experience in the health and water sectors. The ICR was aligned to development objectives. It explained well the theories of change underlying the project's three objectives, with adequate evidence supporting the assessment of outcomes. The clarity of its illustration of key outputs, intermediate results indicators, and outcome indicators under each sector is noteworthy. Lessons were clear and derived from project experience. The ICR should have included a more rigorous economic analysis to examine efficiency. The narrative and available evidence supported the ICR's main conclusions, except for internal inconsistencies in its discussion of M&E quality. The ICR followed the guidelines, with two exceptions: (a) the ICR did not include the Borrower



financial contribution, and; (b) the ICR could have been more concise.

a. Quality of ICR Rating
Substantial